

SATURDAY, JUNE 29, 2002

NINETY-SEVENTH LEGISLATIVE DAY

The House met at 9:00 a.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Representative Armstrong.

Representative Armstrong led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present.....95

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 95.

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative Cooper; illness.

Representative Rhinehart; illness.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 1893: Rep(s). Langster, McDaniel and Brown as prime sponsor(s).

SPONSORS REMOVED

On motion, Rep(s). Turner (Davidson) was/were removed as sponsor(s) of **House Bill No. 2569**.

REPORTS FROM STANDING COMMITTEES

The committees that met on **June 29, 2002**, reported the following:

FINANCE, WAYS AND MEANS

The Finance, Ways and Means Committee recommended for passage: House Bill(s) No(s). 3301 with amendments. Under the rules, each was transmitted to the Calendar and Rules Committee.

COMMITTEE ON CALENDAR AND RULES

The Calendar and Rules Committee met and set the following bill(s) on the **Regular Calendar** for **June 29, 2002**: House Bill(s) No(s). 3301, 2569, 2995, 1893, 2739 and 2768.

The Committee set the following bill(s) and/or resolution(s) on the **Consent Calendar** for **June 29, 2002**: House Bill(s) No(s). 2758, 2746 and 2752.

CONSENT CALENDAR

House Bill No. 2758 -- Sunset Laws - Public safety committee, June 30, 2008. Amends TCA Title 4, Chapter 29 and Title 7, Chapter 86. by *Kernell, *Brooks, *Cooper B. (*SB2095 by *Harper, *Burchett, *Trail)

House Bill No. 2746 -- Sunset Laws - Department of mental health and developmental disabilities, June 30, 2006. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 3. by *Kernell, *Brooks, *Cooper B. (*SB2109 by *Harper, *Burchett, *Trail)

On motion, House Bill No. 2746 was made to conform with **Senate Bill No. 2109**; the Senate Bill was substituted for the House Bill.

House Bill No. 2752 -- Sunset Laws - Department of mental health and developmental disabilities, statewide planning and policy council, June 30, 2006. Amends TCA Title 4, Chapter 29 and Title 33, Chapter 1. by *Kernell, *Brooks, *Cooper B. (*SB2106 by *Harper, *Burchett, *Trail)

On motion, House Bill No. 2752 was made to conform with **Senate Bill No. 2106**; the Senate Bill was substituted for the House Bill.

OBJECTION -- CONSENT CALENDAR

Objection(s) was/were filed to the following on the Consent Calendar:

House Bill No. 2758: by Rep. Kernell

Under the rules, House Bill(s) No(s). 2758 was/were placed at the foot of the Supplemental Regular Calendar No. 2 for June 30, 2002.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes94
Noes0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 94.

A motion to reconsider was tabled.

REGULAR CALENDAR

Senate Bill No. 1494 -- Campaigns and Campaign Finance - Expresses intent of general assembly that campaign finance system be reformed to promote increased voter confidence and participation; directs registry of election finance to study issue and to provide recommendations to general assembly. Amends TCA Title 2; Title 3 and Title 8. by *Cooper J. (*HB674 by *Kisber, *McMillan)

Further consideration of Senate Bill No. 1494 previously considered on June 28, 2002, at which time the Senate Bill was substituted for the House Bill, the House withdrew Amendment(s) No(s). 1 and 2, the House adopted Amendment(s) No(s). 3 and 4 and reset the bill for today's Calendar.

Rep. McMillan moved that Senate Bill No. 1494 be reset for today's Supplemental Regular Calendar No. 2, which motion prevailed.

SUPPLEMENTAL REGULAR CALENDAR

House Bill No. 2569 -- Taxes, Sales - Requires affirmative vote of three-fifths of members of senate and house to increase rate of sales tax. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71 relative to taxation. by *Buck, *McDonald, *Sargent, *Davidson, *Bunch, *Hagood, *Tidwell, *Bittle, *Hargett, *Stanley, *Fraley, *Pleasant, *Sharp, *Baird, *Garrett, *Jones, S., *Odom, *Wood, *Hood, *Shepard, *Black, *Newton, *Turner (Davidson), *Pinion, *Montgomery, *Winningham, *Patton, *Clem. (*SB2829 by *Jackson)

Rep. Buck moved that House Bill No. 2569 be reset for today's Supplemental Regular Calendar No. 2, which motion prevailed.

House Bill No. 2995 -- Taxes, Privilege - Creates 1 percent privilege tax on enumerated occupations, capped at \$300. Amends TCA Title 67, Chapter 4. by *Buck. (SB3051 by *Crutchfield)

Rep. Buck moved that House Bill No. 2995 be reset for today's Supplemental Regular Calendar No. 2, which motion prevailed.

House Bill No. 1893 -- Motor Vehicles, Titling and Registration - Authorizes issuance of I Love TDOT cultural license plates. Amends TCA Title 54 and Title 55. by *Head, *Patton. (*SB1303 by *Haun, *Herron, *Cohen)

On motion, House Bill No. 1893 be moved to the heel of the Supplemental Message Calendar.

BILL RECALL

Rep. Shepard requested that Senate Bill No. 2534 be recalled from the Senate, which motion prevailed.

SUPPLEMENTAL REGULAR CALENDAR, CONTINUED

House Bill No. 2739 -- Sunset Laws - Tennessee regulatory authority, June 30, 2008. Amends TCA Title 4, Chapter 29 and Title 65, Chapter 1. by *Kernell, *Brooks, *Cooper B. (*SB2073 by *Harper, *Burchett, *Trail)

On motion, House Bill No. 2739 was made to conform with **Senate Bill No. 2073**; the Senate Bill was substituted for the House Bill.

Rep. Kernell moved that Senate Bill No. 2073 be passed on third and final consideration.

Rep. Brooks moved adoption of Government Operations Committee Amendment No. 1 as follows:

Amendment No. 1

AMEND Senate Bill No. 2073 by adding the following as appropriately numbered sections:

SECTION _____. Tennessee Code Annotated, Section 65-1-201, is amended by deleting the section in its entirety and substituting instead the following language:

(a) There is created the Tennessee Regulatory Authority consisting of four (4) directors. The directors shall be appointed as follows: one (1) shall be appointed by the governor, one (1) shall be appointed by the speaker of the senate, one (1) shall be appointed by the speaker of the house of representatives, and one (1) director shall be appointed by joint agreement among the governor, the speaker of the senate and the speaker of the house of representatives. In making the appointments pursuant to this subsection, the governor, the speaker of the senate and the speaker of the house of representatives shall strive to ensure that the Tennessee regulatory authority is composed of directors who are diverse in professional or educational background, ethnicity, geographic residency, heritage, perspective and experience.

(b) The directors of the authority shall be state officers and shall serve for six -year terms, except as provided in subsection (g) below.

(c) Every March 1 prior to the expiration of the terms of office of the directors thereafter, the Governor, the Speaker of the Senate, and the Speaker of the House of Representatives shall each appoint one (1) director of the Authority, and they shall jointly appoint one (1) director of the Authority.

(d) All appointments of the directors shall be confirmed by joint resolution adopted by each house of the general assembly prior to the commencement of the term of office to which such director is appointed. However, the initial appointment of the director which is made by the joint agreement of all the appointing authorities shall not require confirmation by joint resolution during the session of the general assembly in which such director is appointed and such director shall serve without confirmation unless such appointment is rejected by joint resolution of the general assembly within thirty (30) days after the general assembly convenes following such appointment. Thereafter, all directors shall be confirmed by joint resolution adopted by each house of the general assembly prior to the commencement of the term of office to which such director is appointed.

(e) Any vacancy on the authority shall be filled by the original appointing authority for such position to serve the unexpired term and such appointments shall be confirmed in the same manner as the original appointment. However, if the general assembly is not in session and a vacancy occurs, the appropriate appointing authority shall fill such vacancy by appointment and the appointee to such vacancy shall serve the unexpired term, unless such appointment is not confirmed within thirty (30) days after the general assembly convenes following the appointment to fill such vacancy.

(f) The term of office of each director shall commence on July 1, following such director's appointment.

(g) In order to stagger the terms of directors, the terms of directors appointed during 2008 to commence terms of office on July 1, 2008 shall expire as follows:

(1) The term of the director appointed by the governor and the term of the director appointed by the joint agreement of all the appointing authorities shall expire on June 30, 2011.

(2) The term of the directors appointed by the speaker of the house of representatives and the speaker of the senate shall expire on June 30, 2014.

(3) Thereafter, all members shall serve six-year terms.

SECTION _____. Tennessee Code Annotated, Section 65-1-204, is amended by deleting the section in its entirety and substituting instead the following language:

(a) A majority of the Tennessee regulatory authority shall constitute a quorum for the transaction of business. The authority shall elect one of its directors to be chair of the authority for a one-year term.

(b) The Tennessee regulatory authority shall establish policies for the efficient and economical internal management of the authority, to be administered by the chair. The chair shall be responsible for ensuring that policies established by the authority are fully executed by the staff of the authority.

(c) The chair shall have the power and duty to conduct ordinary and necessary business in the name of the authority, such duties to include, but not be limited to the following:

(1) Serve as chief operating officer of the authority responsible for supervision and hiring of all joint staff members within the limits of available funds authorized by Chapter 305 of the Public Acts of 1955, and administer, monitor, and review the operating procedures of each division of the authority, ensuring that each employee and division of the authority fully executes in an efficient and economical manner, the separate duties assigned to each;

(2) Recommend to the authority such rules and policies as are necessary and appropriate to efficiently and economically provide for internal management of the authority;

(3) Coordinate the preparation of the report to the general assembly as required by Tennessee Code Annotated, Section 65-1-211;

(4) Prepare and call the docket of items to be heard during each scheduled meeting of the authority;

(5) Keep the official full and correct record of all proceedings and transactions of the authority;

(6) Supervise the expenditure of funds and be responsible for complying with all applicable provisions of state and federal law in the receipt and disbursement of funds;

(7) Serve as the designated contact for all media inquiries to the authority; and

(8) Perform such other duties as the Tennessee regulatory authority may require or as may be required by statute.

(d) The chair shall assign each matter before the Tennessee regulatory authority to a panel of three (3) voting members, from among the directors. The fourth voting member of the authority, who is not assigned to a particular panel shall not vote or deliberate regarding such matters. The authority shall establish reasonable procedures for rotating the directors for assignment to panels in an efficient manner. Such procedures shall ensure that all voting members of the authority serve on an equal number of panels in a random fashion, to the extent practicable.

SECTION _____. Tennessee Code Annotated, Section 65-1-205(a), is amended by deleting the following language " , and the compensation of the executive secretary shall be fixed by the authority as provided by law for other employees,". Tennessee Code Annotated, Section 65-1-205(b), is amended by deleting the language "The three (3) directors and the executive secretary" and by substituting instead the language "The four(4) directors".

SECTION _____. Tennessee Code Annotated, Section 65-1-209, is amended by deleting it in its entirety.

SECTION _____. Confirmations of appointments made or begun prior to the effective date of this act shall remain in full force and effect and appointments made pursuant to such confirmations shall remain valid appointments.

On motion, Government Operations Committee Amendment No. 1 was adopted.

Rep. Brooks moved adoption of Government Operations Committee Amendment No. 2 as follows:

Amendment No. 2

AMEND Senate Bill No. 2073 By deleting Section 2 in its entirety and by substituting instead the following:

SECTION 2. Tennessee Code Annotated, Section 4-29-228(a), is amended by adding a new item thereto, as follows:

() Tennessee regulatory authority, created by § 65-1-201;

On motion, Government Operations Committee Amendment No. 2 was adopted.

Rep. Kernell moved that **Senate Bill No. 2073**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	88
Noes	4
Present and not voting	1

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Black, Bone, Bowers, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargrove, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sargent, Scroggs, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Wood, Mr. Speaker Naifeh -- 88.

Representatives voting no were: Bittle, Clem, Hargett, Harwell -- 4.

Representatives present and not voting were: Sharp -- 1.

A motion to reconsider was tabled.

House Bill No. 2768 -- Sunset Laws - Tennessee victims coalition, June 30, 2004. Amends TCA Title 4, Chapter 41 and Title 4, Chapter 29. by *Kernell, *Brooks, *Cooper B. (*SB2083 by *Harper, *Burchett, *Trail)

Rep. Kernell moved that House Bill No. 2768 be passed on third and final consideration.

Rep. Brooks moved adoption of Government Operations Committee Amendment No. 1 as follows:

Amendment No. 1

AMEND House Bill No. 2768 By deleting Section 2 in its entirety and by substituting instead the following:

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 41, is amended by deleting such chapter in its entirety.

On motion, Government Operations Committee Amendment No. 1 was adopted.

Rep. Kernell moved that **House Bill No. 2768**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes96
Noes0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 96.

A motion to reconsider was tabled.

SPECIAL ORDER

Without objection, House Bill No. 1893, reset for the heel of today's Supplemental Message Calendar, was taken up out of order as follows:

SUPPLEMENTAL REGULAR CALENDAR, CONTINUED

House Bill No. 1893 -- Motor Vehicles, Titling and Registration - Authorizes issuance of I Love TDOT cultural license plates. Amends TCA Title 54 and Title 55. by *Head, *Patton. (*SB1303 by *Haun, *Herron, *Cohen)

On motion, House Bill No. 1893 was made to conform with **Senate Bill No. 1303**; the Senate Bill was substituted for the House Bill.

Rep. Head moved that Senate Bill No. 1303 be passed on third and final consideration.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Rep. Ridgeway requested that Transportation Committee Amendment No. 1 be placed at the heel of the Amendments.

Rep. Kisber moved adoption of Finance, Ways and Means Committee Amendment No. 1 as House Amendment No. 2 as follows:

Amendment No. 2

AMEND Senate Bill No. 1303 By deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 55-4-201(b), is amended by deleting subdivision (2) in its entirety and by substituting instead the following:

(2) An additional fee of twenty-five dollars (\$25.00) to be paid by the applicant upon issuance and renewal, except as specifically provided otherwise by § 55-4-203 or any other applicable provision of this part; provided that such fee shall be thirty-five dollars (\$35.00) for all cultural, specialty earmarked and new specialty earmarked license plates issued and renewed, or renewable, on or after September 1, 2002.

SECTION 2. Tennessee Code Annotated, Section 55-4-203, is amended by deleting subsection (d) in its entirety and by substituting instead the following:

(d) All other cultural, specialty earmarked and new specialty earmarked plates authorized by this part shall be issued upon the payment of a fee of twenty-five dollars (\$25.00) in addition to the regular registration fee; provided that such fee shall be thirty-five dollars (\$35.00) for all such plates issued on or after September 1, 2002, in accordance with the provisions of § 55-4-201(b)(2).

SECTION 3. Tennessee Code Annotated, Section 55-4-201, is amended by adding the following language as new, appropriately designated subsections:

(h)(1) Notwithstanding any provision of this part to the contrary, any cultural or new specialty earmarked license plate authorized by statute after on or after July 1, 2002, shall be subject to a minimum order of at least one thousand (1,000) plates prior to initial issuance. The provisions of this subdivision shall apply equally to the renewal of any cultural or new specialty earmarked plate initially issued on or after July 1, 2002. Any such plate that does not meet the minimum order requirements of this subdivision within one (1) year of the effective date of the act authorizing such plate, or does not meet the renewal requirements for any two (2) successive renewal periods thereafter, shall not be issued, reissued or renewed and shall be deemed obsolete and invalid. The commissioner shall annually notify the executive secretary of the Tennessee code commission of the sections of Tennessee Code Annotated authorizing the issuance of plates deemed obsolete and invalid pursuant to the provisions of this subdivision.

(2) The provisions of subdivision (1) shall not apply to collegiate plates otherwise administered pursuant to the provisions of this part; provided that on and after July 1, 2002, collegiate plates for four-year colleges or universities located outside Tennessee shall be subject to a minimum order of at least one thousand (1,000) plates prior to initial issuance by the department. The provisions of this subdivision shall apply equally to the renewal of any collegiate plates for four-year colleges or universities located outside Tennessee initially issued by the department on or after July 1, 2002. Any such plate that does not meet the minimum order requirements of this subdivision or does not meet the renewal requirements for any two (2) successive renewal periods, shall not be administratively issued, reissued or renewed by the department and shall be deemed obsolete and invalid.

(i) The comptroller of the treasury shall conduct a performance audit of the department of safety's policies, procedures and directives as to the administration of Tennessee Code Annotated, title 55, chapter 4, part 2, relative to special license plates. Such audit shall include, but shall not be limited to, an analysis of the fees collected versus the costs of manufacturing, issuing and administering such special license plates, and an examination of the associated costs of special license plates, including the costs of court clerks in storage, handling and issuance of such special license plates. The office of the comptroller of the treasury shall report its findings and recommendations to the transportation committee of the senate and to the transportation committee of the house of representatives on or before February 5, 2003.

(j) All funds produced from the sale or renewal of cultural, specialty earmarked and new specialty earmarked license plates shall be used exclusively in Tennessee to support departments, agencies, charities, programs and other activities impacting Tennessee, as authorized pursuant to the provisions of this part.

SECTION 4. Tennessee Code Annotated, Section 55-4-202(c)(5)(U), is amended by adding the following as new subdivisions (xi) and (xii):

(xi) Silver Star recipients;

(xii) Bronze Star recipients;

SECTION 5. Tennessee Code Annotated, Section 55-4-203(c), is amended by deleting the word "and" at the end of subdivision (9); by deleting the period (.) at the end of subdivision (10) and by substituting instead a semicolon (;); and by adding the following as new subdivisions (11) and (12):

(11) Silver Star recipients; and

(12) Bronze Star recipients.

SECTION 6. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) A recipient of the Silver Star or a recipient of the Bronze Star who is a resident of this state and who is an owner or lessee of a motor vehicle, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and upon paying the regular fee applicable to the motor vehicle and the fee provided in § 55-4-203, shall be issued a distinctive Silver Star or Bronze Star motor vehicle registration plate, as appropriate, for a motor vehicle authorized by § 55-4-210(c).

(b)(1) The Silver Star plates provided for in this section shall include an identification legend distinctive to recipients of the Silver Star. The legend shall read "Silver Star". The registration number of the plate shall include the letters "SS" and a unique identifying number.

(2) The Bronze Star plates provided for in this section shall include an identification legend distinctive to recipients of the Bronze Star. The legend shall read "Bronze Star". The registration number of the plate shall include the letters "BS" and a unique identifying number.

(c) Eligibility for Silver Star plates and Bronze Star plates shall be determined by the department of safety by consulting the appropriate information on the DD214 form (or in a case of military service predating 1950, in consultation with appropriate information on the equivalent form or on other official documentation) or a written communication from the department of veterans affairs, such form, documentation or communication certifying that the application for such plate is submitted by a recipient of the Silver Star or a recipient of the Bronze Star, as appropriate.

SECTION 7. Tennessee Code Annotated, Section 55-4-202(c)(5), is amended by adding the following as a new, appropriately designated subdivision:

(_) Technology;

SECTION 8. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle, and the fee provided for in § 55-4-203, shall be issued a Technology cultural license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The cultural license plates provided for in this section shall contain an appropriate logo or design embodying technology in Tennessee and shall be designed in consultation with a designee of the Nashville Linux Users Group.

(c) The funds produced from the sale of such Technology cultural license plates shall be allocated in accordance with § 55-4-216.

SECTION 9. Tennessee Code Annotated, Section 55-4-202(c)(5), is amended by adding the following as a new subdivision:

(_) Share the Road;

SECTION 10. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle, and the fee provided for in § 55-4-203, shall be issued a Share the Road cultural license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The cultural license plates provided for in this section shall contain an appropriate logo or design and shall include the phrase "Share the Road". Such plates shall be designed in consultation with the president of the Harpeth Bicycle Club. Prior to submitting the design of such plates, the president of the Harpeth Bicycle Club shall solicit design ideas from other on-road bicycle clubs located in the state of Tennessee.

(c) The funds produced from the sale of such Share the Road cultural license plates shall be allocated in accordance with § 55-4-216.

SECTION 11. Tennessee Code Annotated, Section 55-4-202(c)(5), is amended by adding the following as a new, appropriately designated subdivision:

(_) Harley Owner's Group (HOG);

SECTION 12. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) An owner or lessee of a motor vehicle who is a resident of this state, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Harley Owner's Group (HOG) cultural license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The cultural plates provided for in this section shall bear the logo or other distinctive emblem of the Harley Owner's Group (HOG) and shall include the language "HOG" in an appropriate design. Such plates shall be designed in consultation with the President of the Harley Owner's Group (HOG).

(c) The funds produced from the sale of such Harley Owner's Group cultural license plates shall be allocated in accordance with § 55-4-216.

SECTION 13. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Tennessee State Guard;

SECTION 14. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided in § 55-4-203, shall be issued a Tennessee State Guard new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain the official seal of the Tennessee State Guard and shall bear the language "TENNESSEE STATE GUARD" in an appropriate design. Such plates shall be designed in consultation with the commanding officer of the Tennessee State Guard.

(c)(1) The funds produced from the sale of such Tennessee State Guard new specialty earmarked license plates shall be allocated to the Tennessee State Guard, established by title 58, chapter 1, part 4, in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively to further the statutory mission of the Tennessee State Guard.

(2) Such funds may only be expended to fund activities authorized by this section. Any funds allocated to the Tennessee State Guard pursuant to this section shall remain in reserve until expended for purposes consistent with the section, and shall not revert to the general fund on any June 30. Any interest earned on moneys allocated to the Tennessee State Guard pursuant to this section shall not revert to the general fund on any June 30, but shall remain available for expenditure in subsequent fiscal years.

SECTION 15. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

☐ Memphis Zoo;

SECTION 16. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in §55-4-203, shall be issued a Memphis Zoo new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain an appropriate logo or design representative of the Memphis Zoo. Such plates shall be designed in consultation with the president and board of directors of the Memphis Zoological Society.

(c) The funds produced from the sale of Memphis Zoo new specialty earmarked license plates shall be allocated to the Memphis Zoological Society in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively for the acquisition of a breeding pair of Giant Pandas and for other zoological and educational purposes.

SECTION 17. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

☐ Civil Rights;

SECTION 18. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a civil rights new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be designed in consultation with the board of directors of the National Civil Rights Museum in Memphis, Tennessee.

(c) The funds produced from the sale of such new specialty earmarked license plates shall be allocated to the National Civil Rights Museum in Memphis, Tennessee, in accordance with § 55-4-215. Such funds shall be used exclusively for educational purposes.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

SECTION 19. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Title VI;

SECTION 20. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Title VI new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be designed in consultation with the Tennessee Title VI Compliance Commission.

(c) The funds produced from the sale of such new specialty earmarked license plates shall be allocated to the Tennessee Title VI Compliance Commission in accordance with § 55-4-215. Such funds shall be used exclusively in furtherance of the commission's mission.

SECTION 21.

(a) Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Sons of Confederate Veterans;

(b) Notwithstanding any provision of this act to the contrary, this section shall take effect July 1, 2002, the public welfare requiring it.

SECTION 22.

(a) Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Sons of Confederate Veterans new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be of the colors and contain the logo of the Sons of Confederate Veterans. Such plates shall be designed in consultation with the commander of the Tennessee Division of the Sons of Confederate Veterans.

(c) The funds produced from the sale of Sons of Confederate Veterans new specialty earmarked license plates shall be allocated to the Tennessee Division of Sons of Confederate Veterans in accordance with the provisions of § 55-4-215.

SECTION 23. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Kiwanis International;

SECTION 24. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in §55-4-203, shall be issued a Kiwanis International new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain the logo or other appropriate design representative of Kiwanis International. Such plates shall be designed in consultation with a Tennessee representative of Kiwanis International.

(c) The funds produced from the sale of Kiwanis International new specialty earmarked license plates shall be allocated to Kiwanis International in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively to fund activities and programs of Kiwanis International's Worldwide Service Project.

SECTION 25. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Memphis Redbirds;

SECTION 26. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Memphis Redbirds new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain the official logo or logos of the Memphis Redbirds baseball club. Such plates shall be designed in consultation and with the approval of the president of the Memphis Redbirds baseball club.

(c) The funds produced from the sale of Memphis Redbirds new specialty earmarked license plates shall be allocated to the nonprofit Memphis Redbirds Foundation in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively for the Memphis Redbirds' STRIPES ("Sports Teams Returning In the Public Education System") program which has renewed and supports middle school baseball in Memphis.

SECTION 27. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) East Tennessee Children's Hospital;

SECTION 28. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued an East Tennessee Children's Hospital new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall bear an appropriate design and shall be designed in consultation with the chairperson of the board of the East Tennessee Children's Hospital.

(c) The funds produced from the sale of such new specialty earmarked license plates shall be allocated to the East Tennessee Children's Hospital in accordance with § 55-4-215.

SECTION 29. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

() Tennessee Titans;

SECTION 30. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Tennessee Titans new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall bear the official colors and logo of the Tennessee Titans National Football League (NFL) team and shall include the language "TITANS" in an appropriate design. The design of the plates shall be subject to the approval of the Tennessee Titans and the NFL, and shall additionally afford such trademark protection as the Tennessee Titans and the NFL shall require as otherwise permitted by law.

(c) In accordance with § 55-4-215, the funds produced from the sale of such Tennessee Titans new specialty earmarked license plates shall be allocated to the Tennessee Titans Foundation to be distributed in equal shares to the following organizations within thirty (30) days of allocation in the name of the Tennessee Titans Foundation and the state of Tennessee from the sale of specialty license plates:

- (1) Camp Discovery;
- (2) Jason Foundation;
- (3) Boy Scouts of Tennessee;
- (4) Girl Scouts of Tennessee;
- (5) Boys & Girls Club of Tennessee;
- (6) St. Jude's Children's Research Hospital;
- (7) Vanderbilt Children's Hospital;
- (8) Baptist Hospital Maternity/Birthing Center;
- (9) Tennessee State University Scholarship Fund; and
- (10) Fisk University Scholarship Fund.

SECTION 31. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Memphis Grizzlies;

SECTION 32. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Memphis Grizzlies new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall bear the official colors and logo of the Memphis Grizzlies National Basketball Association (NBA) team and shall include the language "Grizzlies" in an appropriate design. The design of the plates shall be subject to the approval of the Memphis Grizzlies and the NBA, and shall additionally afford such trademark protection as the Memphis Grizzlies and the NBA shall require as otherwise permitted by law.

(c) In accordance with § 55-4-215, the funds produced from the sale of such Memphis Grizzlies new specialty earmarked license plates shall be allocated to the Memphis Grizzlies Foundation to be distributed in equal shares to the following organizations within thirty (30) days of allocation in the name of the Grizzlies Foundation and the State of Tennessee from the sale of specialty license plates:

- (1) Grizzlies Bridges;
- (2) Camp Discovery;
- (3) Memphis College of Art Scholarship Fund;
- (4) St. Jude's Children's Research Hospital;
- (5) National Civil Rights Museum; and
- (6) Memphis Zoo.

SECTION 33. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Nashville Predators;

SECTION 34. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Nashville Predators new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall bear the official colors and logo of the Nashville Predators National Hockey League (NHL) team and shall include the language "Predators" in an appropriate design. The design of the plates shall be subject to the approval of the Nashville Predators and the NHL, and shall additionally afford such trademark protection as the Nashville Predators and the NHL shall require as otherwise permitted by law.

(c) In accordance with § 55-4-215, the funds produced from the sale of such Nashville Predators new specialty earmarked license plates shall be allocated to the Predators Foundation to be distributed in equal shares to the following organizations within thirty (30) days of allocation in the name of the Predators Foundation and the State of Tennessee from the sale of specialty license plates:

- (1) Tennessee Sled Hockey Association;
- (2) PENCIL Foundation;
- (3) Camp Discovery;
- (4) Nashville Humane Society;
- (5) Vanderbilt Children's Hospital; and
- (6) Nashville Zoo.

SECTION 35. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Proud To Be An American;

SECTION 36. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a)(1) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a "Proud To Be An American" new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(2) The dual purpose of the plates provided for in this section is to express the patriotism, spirit and resolve of Tennesseans in the wake of the terrorist attacks of September 11, 2001, and to allow Tennesseans to voluntarily contribute to local school systems and local schools that are struggling to attain student performance standards mandated by state law.

(b) The new specialty earmarked plates provided for in this section shall be produced upon a background of an American flag and shall include the phrase "Proud To Be An American".

(c)(1) The funds produced from the sale of such "Proud To Be An American" new specialty earmarked license plates shall be allocated in accordance with the provisions of § 55-4-215.

(2) All funds allocated pursuant to § 55-4-215(a)(1), shall be distributed to school systems and schools that have failed to attain the student performance standards mandated by Title 49, Chapter 1, Part 6, and have been placed on probation pursuant to § 49-1-602. Such funds shall be distributed to such school systems and schools in accordance with a formula to be developed by the state board of education.

(d) Any funds received pursuant to this section shall not result in any reduction in appropriations otherwise made to local school systems or local schools.

(e) The state board of education is authorized to promulgate rules and regulations to establish a formula for the equitable distribution of funds to school systems and schools from the funds produced from the sale of the new specialty earmarked license plates authorized by this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, title 4, chapter 5.

SECTION 37. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) United For America;

SECTION 38. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a United For America new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall be produced upon a background of a waving American flag and shall include phrases substantially similar to "Volunteer State" and "United For America". Such plates shall be designed in consultation with the chairpersons of the house and senate transportation committees and the director of the Tennessee emergency management agency.

(c) The funds produced from the sale of such United For America new specialty earmarked license plates shall be allocated to the Tennessee emergency management agency, created by § 58-2-103, for purposes of disaster planning and emergency preparedness in accordance with § 55-4-215.

(d) Any funds received pursuant to this section shall not result in any reduction in appropriations otherwise made to the Tennessee emergency management agency.

SECTION 39. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Eagle Foundation;

SECTION 40. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued an Eagle Foundation new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall contain the official logo of the Eagle Foundation and/or a representation of the American bald eagle. Such plates shall be designed in consultation with the board of directors of the Eagle Foundation.

(c) The funds produced from the sale of such Eagle Foundation new specialty earmarked license plates shall be allocated to the Eagle Foundation in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively for the preservation of the American bald eagle and its habitat.

SECTION 41. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Memphis and Shelby County Humane Society;

SECTION 42. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Memphis and Shelby County Humane Society new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall contain an appropriate logo and design representative of the humane society and shall be designed in consultation with Memphis and Shelby County Humane Society.

(c) In accordance with § 55-4-215, the funds produced from the sale of such Memphis and Shelby County Humane Society new specialty earmarked license plates shall be allocated to the Memphis and Shelby County Humane Society for educational and operational programs.

SECTION 43. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated item:

(_) City of Oak Ridge;

SECTION 44. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a City of Oak Ridge new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall contain the official seal or other appropriate logo or design representative of the City of Oak Ridge and shall be designed in consultation with the city manager and city council of Oak Ridge.

(c) The funds produced from the sale of such City of Oak Ridge new specialty earmarked license plates shall be allocated to the Oak Ridge Public Schools Education Foundation in accordance with § 55-4-215. Such funds shall be used exclusively to provide additional funding for educational programs in grades K-12 in the Oak Ridge school system.

(d) Any funds received pursuant to this section shall not result in any reduction in appropriations otherwise made to local school systems or local schools.

SECTION 45. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Rocky Mountain Elk Foundation;

SECTION 46. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Rocky Mountain Elk Foundation new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall contain the official logo of the Rocky Mountain Elk Foundation and/or a representation of the Rocky Mountain elk. Such plates shall be designed in consultation with the board of directors of the Rocky Mountain Elk Foundation.

(c) The funds produced from the sale of such Rocky Mountain Elk Foundation new specialty earmarked license plates shall be allocated to the Rocky Mountain Elk Foundation in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively for the preservation of the Rocky Mountain elk and its habitat.

SECTION 47. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Friends of the Big South Fork National River and Recreation Area;

SECTION 48. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following language as a new, appropriately designated section:

Section 55-4-2__.

(a) An owner or lessee of a motor vehicle who is a resident of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles, and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Friends of the Big South Fork National River and Recreation Area new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked plates provided for in this section shall be designed in consultation with a representative of Friends of the Big South Fork National River and Recreation Area, Inc.

(c) In accordance with § 55-4-215, the funds produced from the sale of such Friends of the Big South Fork National River and Recreation Area new specialty earmarked license plates shall be allocated to the Friends of the Big South Fork National River and Recreation Area, Inc. Such funds shall be used exclusively for the assistance of the National Park Service in the care of the Big South Fork National River and Recreation Area.

SECTION 49. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Ruritan National;

SECTION 50. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Ruritan National new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain the logo or other appropriate design representative of Ruritan National. Such plates shall be designed in consultation with the executive director of Ruritan National.

(c) The funds produced from the sale of Ruritan National new specialty earmarked license plates shall be allocated to the Ruritan National Foundation in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively to fund the Ruritan National Foundation's student financial aid program and disaster relief program.

SECTION 51. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Vanderbilt Children's Hospital;

SECTION 52. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) An owner or lessee of a motor vehicle who is a resident of this state, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Vanderbilt Children's Hospital new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The purpose of such plate is to recognize and support the many contributions to children's health care made by the Vanderbilt Children's Hospital.

(c) The plates provided for in this section shall bear an appropriate design or logo that represents the commitment to children's health care exhibited by the Vanderbilt Children's Hospital. The new specialty license plates provided for in this section shall be designed in consultation with the Vanderbilt University Board of Trust.

(d) In accordance with the provisions of § 55-4-215, the funds produced from the sale of such Vanderbilt Children's Hospital new specialty earmarked license plates shall be allocated to the Vanderbilt Children's Hospital of Vanderbilt University.

SECTION 53. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) Nashville Zoo at Grassmere;

SECTION 55. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the State of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a Nashville Zoo at Grassmere new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall contain the logo or other appropriate design representative of the Nashville Zoo at Grassmere. Such plates shall be designed in consultation with a representative of the Nashville Zoo at Grassmere.

(c) The funds produced from the sale of such new specialty earmarked license plates shall be allocated to the Nashville Zoo at Grassmere in accordance with the provisions of § 55-4-215. Such funds shall be used exclusively for animal feeding and care, animal acquisitions, exhibit design and construction, and educational programs.

SECTION 56. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

(_) State Parks;

SECTION 57. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a state park new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be designed in consultation with the director of the Tennessee Recreation and Parks Association.

(c) In accordance with § 55-4-215, the funds produced from the sale of such new specialty earmarked license plates shall be allocated to the division of state parks in the department of environment and conservation to be used solely for the maintenance of hiking trails and non-developed natural areas and their support facilities within Tennessee's state parks.

SECTION 58. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

() Public Television;

SECTION 59. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a public television new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be designed in consultation with the Tennessee Public Television Council.

(c) In accordance with § 55-4-215, the funds produced from the sale of such new specialty earmarked license plates shall be allocated to the Tennessee Public Television Council to be used solely for member station program support.

SECTION 60. The provisions of § 55-4-201(f) shall not apply to this act.

SECTION 61. The commissioner of safety is authorized to promulgate rules and regulations to effectuate the provisions of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 62. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 63. This act shall take effect on July 1, 2002, the public welfare requiring it.

On motion, Finance, Ways and Means Committee Amendment No. 1 as House Amendment No. 2 was adopted.

Rep. U. Jones moved adoption of Amendment No. 3 as follows:

Amendment No. 3

AMEND Senate Bill No. 1303 By adding the following language as new, appropriately designated sections immediately preceding the penultimate section of the bill as amended:

SECTION __. Tennessee Code Annotated, Section 55-4-202(c)(7), is amended by adding the following as a new, appropriately designated subdivision:

() Retired Fire Fighters;

SECTION __. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee, upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle and the fee provided for in § 55-4-203, shall be issued a retired fire fighters new specialty earmarked license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The new specialty earmarked license plates provided for in this section shall be designed in consultation with a representative of the Memphis fire fighters association.

(c) In accordance with § 55-4-215, the funds produced from the sale of such new specialty earmarked license plates shall be allocated to the Fire Museum of Memphis.

On motion, Amendment No. 3 was adopted.

Rep. Head moved adoption of Amendment No. 4 as follows:

Amendment No. 4

AMEND Senate Bill No. 1303 By adding the following language as new, appropriately designated sections immediately preceding the penultimate section of the bill as amended:

SECTION __. Tennessee Code Annotated, Section 55-4-202(c)(5), is amended by adding the following as a new, appropriately designated subdivision:

() Tennessee Valley Authority 70th Anniversary;

SECTION 8. Tennessee Code Annotated, Title 55, Chapter 4, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 55-4-2__.

(a) Owners or lessees of motor vehicles who are residents of the state of Tennessee upon complying with state motor vehicle laws relating to registration and licensing of motor vehicles and paying the regular fee applicable to the motor vehicle, and the fee provided for in § 55-4-203, shall be issued a Tennessee Valley Authority 70th Anniversary cultural license plate for a motor vehicle authorized by § 55-4-210(c).

(b) The cultural license plates provided for in this section may contain a phrase substantially similar to "TVA 70th Anniversary" with an appropriate design and shall be designed in consultation with the Tennessee Valley Authority.

(c) The funds produced from the sale of such Tennessee Valley Authority 70th Anniversary cultural license plates shall be allocated in accordance with § 55-4-216.

On motion, Amendment No. 4 was adopted.

On motion, Rep. Ridgeway withdrew Transportation Committee Amendment No. 1.

Rep. Head moved that **Senate Bill No. 1303**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	89
Noes	4
Present and not voting	1

Representatives voting aye were: Armstrong, Arriola, Baird, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Buttry, Caldwell, Casada, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 89.

Representatives voting no were: Beavers, Clem, Davis (Washington), Turner (Shelby) -- 4.

Representatives present and not voting were: Bunch -- 1.

A motion to reconsider was tabled.

MESSAGE CALENDAR

HOUSE ACTION ON SENATE MESSAGE

House Bill No. 1131 -- Education - Enacts "Tennessee Charter Schools Act of 2001." Amends TCA Title 49, Title 8, Chapter 35, and Sections 12-4-101 and 12-4-102. by *Winningham, *Montgomery, *McDaniel, *McCord, *Buttry, *Baird, *Black, *Beavers, *Boyer, *Sargent, *Scroggs, *Clem, *Vincent, *Dunn, *Wood, *Pleasant, *Bittle, *Sharp. (*SB887 by *Atchley, *Ford J, *Graves, *Trail, *McNally, *Person, *Haynes, *Crutchfield, *Carter, *Dixon, *Miller J, *Blackburn)

Rep. Winningham moved that House Bill No. 1131 be reset for the Supplemental Message Calendar No. 2, which motion prevailed.

HOUSE ACTION ON SENATE MESSAGE

***Senate Bill No. 2107** -- Sunset Laws - Department of human services, June 30, 2006. Amends TCA Title 4, Chapter 3 and Title 4, Chapter 29. by *Harper, *Burchett, *Trail. (HB2753 by *Kernell, *Brooks, *Cooper B)

Rep. Kernell moved that Senate Bill No. 2107 be reset for the Supplemental Message Calendar No. 2, which motion prevailed.

SUPPLEMENTAL MESSAGE CALENDAR

MOTION TO RECONSIDER

Rep. Briley moved to lift from the table the motion to reconsider action in passing Senate Bill No. 277, which motion prevailed.

***Senate Bill No. 277** -- Workers' Compensation - Changes total and permanent loss of mental faculties from scheduled member injury to injury to body as whole. Amends TCA Title 50, Chapter 6, Part 2. by *Haynes. (HB786 by *Briley, *Pinion, *Turner (Hamilton))

Rep. Briley moved to reconsider action in passing Senate Bill No. 277, which motion prevailed.

Rep. Kisber moved that the House reconsider its action in adopting Amendment(s) No(s). 2.

Rep. Kisber moved that Amendment No. 2 be withdrawn, which motion prevailed.

Rep. Briley moved that Senate Bill No. 277 be passed on third and final consideration.

Rep. Briley moved adoption of Amendment No. 3 as follows:

Amendment No. 3

AMEND Senate Bill No. 277 by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 50-6-207(3)(A)(ii), is amended by deleting the language “, and” at the end of subitem (ee) and by substituting instead a period and by deleting subitem (ff) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 50-6-207(4), is amended by adding the following as a new item:

(C)(i) If an employee is determined, by trial or settlement, to be permanently totally disabled, the employer, insurer or the department of labor and workforce development, in the event the second injury fund is involved, may have the employee examined, at the expense of the requesting entity, from time to time subject to the conditions outlined in this section and may seek reconsideration of the issue of permanent total disability as provided herein.

(ii) The request for the examination of the employee may not be made until twenty-four (24) months have elapsed following the entry of a final order in which it is determined that the employee is permanently totally disabled. Any request for an examination is subject to considerations of reasonableness in regard to notice prior to examination, place of examination and length of examination.

(iii) A request for an examination may not be made more often than once every twenty-four (24) months. The procedure for this examination shall be as follows:

(a) The requesting entity shall first make informal contact with the employee, either by letter or by telephone, to attempt to schedule an appointment with a physician for examination at a mutually agreeable time and place. It is the intent of the general assembly that the requesting entity make a good faith effort to reach a mutual agreement for examination, recognizing the inherently intrusive nature of a request for examination.

(b) If, after a reasonable period of time, not to exceed thirty (30) days, mutual agreement is not reached, the requesting entity shall send the employee written "notice of demand for examination" by certified mail, return receipt requested on a form provided by the department of labor and workforce development. The form shall clearly inform the employee of the following: the date, time and place of the examination; the name of the examining physician, the employee's obligations, any pertinent time limitations, the employee's rights, and any consequences of the employee's failure to submit to the examination. The examination shall be scheduled to take place within thirty (30) days of the date on the notice.

(c) After receipt of the "notice of demand for examination", the employee shall either submit to the examination at the time and place identified in the notice form, or, within thirty (30) days from the date of the notice, the employee shall schedule an appointment for a different date and time conducted by the same physician, and this examination shall be completed no later than ninety (90) days from the date of the notice.

(d) In the event the employee fails to submit to the examination at the time and place identified in the notice form and fails to schedule, within thirty (30) days from the date of the notice, an alternative examination date, as provided in subitem (c) above, then the employee's periodic benefits shall be suspended for a period of thirty (30) days.

(e) In the event the employee schedules an alternative date for the examination as provided in subitem (c) above, and fails to submit to the examination within the ninety (90) day period, then the employees' periodic benefits shall be suspended for a period of thirty (30) days beginning at the end of the ninety (90) day period within which the alternatively scheduled examination was to be completed.

(f) If the employee submits to examination within any period of suspension of benefits, then within fourteen (14) days of such submission, periodic benefits shall be restored and any periodic benefits that were withheld during any period of suspension of benefits shall be remitted to the employee.

(g) Within ten (10) days of the date on which periodic benefits are suspended pursuant to either subitems (d) or (e) above, the entity suspending the periodic benefits, shall notify the department of labor and workforce development, in writing, that periodic benefits have been suspended and the date on which the periodic benefits were suspended and shall provide the department a copy of the original "notice of demand for examination" sent to the employee.

(h) After the department receives notice of suspension of benefits pursuant to either subitems (d) or (e) above, the department shall contact the employee and for a period of thirty (30) days assist the employee to schedule an examination to be conducted by the physician named in the notice. After the thirty (30) day assistance period has elapsed, if the employee has not submitted to examination, the department shall authorize the employer, insurer or department to suspend periodic benefits for a period of thirty (30) days. At the conclusion of each thirty (30) day suspension period, periodic benefits shall be restored. After the restoration of periodic benefits, the department shall, in thirty (30) day cycles, continue to assist the employee to schedule the examination, to be followed by thirty (30) day cycles of suspension of benefits until such time as the examination of the employee is completed. If, at any time during any period of suspension of periodic benefits, the employee submits to examination, then within fourteen (14) days of notice of the examination having been conducted, periodic benefits shall be restored and any periodic benefits that were withheld during any period of suspension shall be remitted to the employee.

(iv) Subsequent to an examination as described herein, the employer, insurer or department may request a reconsideration of the issue of whether the employee continues to be permanently totally disabled based on any changes in the employee's circumstances that have occurred since the time of the initial settlement or trial.

(v) Prior to filing any request for reconsideration, the employer, insurer or department shall request a benefit review conference with the department of labor and workforce development. The parties may not waive such benefit review conference. If the parties are unable to reach an agreement at the benefit review conference, the employer, insurer or department may file a request for reconsideration before the court originally adjudging or approving the award of permanent total disability. In the event that a settlement approved by the department of labor and workforce development is to be reconsidered under these provisions then a cause of action should be filed as provided in Tennessee Code Annotated, § 50-6-225.

(vi) In the event a reconsideration request is filed pursuant to this section, the only remedy available to the employer, insurer or department is the modification of or termination of future periodic disability benefits.

(vii) In the event the employer, insurer or department files a request for reconsideration or cause of action hereunder and the court does not terminate the employee's future periodic disability benefits, the employee shall be entitled to an award of reasonable attorney fees, court costs and reasonable and necessary expenses incurred by the employee in responding to the request for reconsideration upon application to and approval by the court. In determining what attorney fees shall be awarded hereunder, the court shall make specific findings in respect to the following criteria:

(a) The time and labor required, the novelty and difficulty of the questions involved in responding to the request for reconsideration, and the skill requisite to perform the legal service properly.

(b) The fee customarily charged in the locality or by the attorney for similar legal services.

(c) The amount involved and the results obtained.

(d) The time limitations imposed by the client or by the circumstances.

(e) The experience, reputation, and ability of the lawyer or lawyers performing the services.

(D)(i) The employer, insurer or department, in the event the second injury fund is involved, shall notify the department, on a form to be developed by the department of the entry of a final order adjudging an employee to be permanently totally disabled. The form shall be submitted to the department within thirty (30) days of the entry of the order.

(ii) On an annual basis, the department of labor and workforce development shall require an employee who is receiving permanent total disability benefits to certify on forms provided by the department that he or she continues to be permanently totally disabled, that he or she is not currently working at an occupation which brings the employee an income and has not been gainfully employed since the date permanent total disability benefits were awarded, by trial or settlement.

(iii) The department shall send the certification form to the employee by certified mail, return receipt requested and shall include a self-addressed stamped envelope for the return of the completed form.

(iv) In each annual cycle, if the employee fails to return the form to the department within thirty (30) days of the date of receipt of the form, as evidenced by the date on the return receipt notice, then the department shall notify the entity who gave notice to the department that the employee was permanently totally disabled pursuant to subitem (i) above that four (4) weeks of periodic disability benefits shall be withheld from the employee as a penalty for the failure to return the form to the department. If the completed form is returned to the department within one hundred twenty (120) days of the date on the return receipt notice, the department shall notify the appropriate entity and then, within fourteen (14) days of receipt of the notice from the department, that entity shall refund to the employee the entire four (4) weeks of periodic disability benefits previously withheld from the employee.

SECTION 3. Tennessee Code Annotated, Section 50-6-207(4)(A)(ii) is amended by deleting the subitem in its entirety and substituting instead the following:

(ii) Notwithstanding other provisions of the law to the contrary and notwithstanding any agreement of the parties to the contrary, permanent total disability payments shall not be commuted to a lump sum, except in accord with the following: (a) benefits may be commuted to a lump sum to pay only the employee's attorney's fees and litigation expenses and to pay pre-injury obligations in arrears; (b) the commuted portion of an award shall not exceed the value of one hundred (100) weeks of the employee's benefits; (c) after the total amount of the commuted lump sum is determined, the amount of the weekly disability benefit shall be recalculated to distribute the total remaining permanent total benefits in equal weekly installments beginning with the date of entry of the order and terminating on the date the employee's disability benefits terminate pursuant to section (4)(A)(i) above.

SECTION 4. Tennessee Code Annotated, Section 50-6-102, is amended by adding a new subsection as follows:

() "Mental injury" means a loss of mental faculties or a mental and/or behavioral disorder where the proximate cause is a compensable physical injury resulting in a permanent disability, or an identifiable work-related event resulting in a sudden or unusual mental stimulus. A mental injury shall not include a psychological or psychiatric response due to the loss of employment or employment opportunities.

SECTION 5. Tennessee Code Annotated, Section 50-6-102(12), is amended by inserting the language "and shall include a mental injury arising out of and in the course of employment " immediately after the language "death of the employee" and the punctuation ";," at the end of the item.

SECTION 6. This act shall take effect on July 1, 2002, the public welfare requiring it and shall apply to injuries occurring on or after July 1, 2002.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

On motion, Amendment No. 3 was adopted.

Rep. Briley moved that **Senate Bill No. 277**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes83

Noes11

Representatives voting aye were: Armstrong, Arriola, Beavers, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), DeBerry J, DeBerry L, Ferguson, Fitzhugh, Fowlkes, Fraley, Garrett, Givens, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Walker, White, Whitson, Windle, Winningham, Mr. Speaker Naifeh -- 83.

Representatives voting no were: Baird, Bittle, Clem, Davis (Washington), Dunn, Goins, Montgomery, Sargent, Vincent, West, Wood -- 11.

A motion to reconsider was tabled.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 1:00 p.m.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 2450: Rep(s). Pinion, Buck, Kent and Cole (Carter) as prime sponsor(s).

House Bill No. 2789: Rep(s). Pruitt, S. Jones and Walker as prime sponsor(s).

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2789; substituted for Senate Bill(s) on the same subject(s), amended and passed by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

ENGROSSED BILLS

June 29, 2002

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Bill(s) No(s). 2768.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 2534, as requested.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 1838; substituted for Senate Bill(s) on the same subject(s), amended and passed by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 891 and 893; adopted for concurrence.

RUSSELL A. HUMPHREY, Chief Clerk.

***Senate Joint Resolution No. 891** -- General Assembly, Statement of Intent or Position - Condemns 9th U.S. Circuit Court of Appeals' decision finding recitation of Pledge of Allegiance in public schools to be unconstitutional, and urges U.S. Supreme Court to overturn such decision. by *McNally, *Cooper J, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Jackson, *Kurita, *Kyle, *McNally, *Miller J, *Norris, *Person, *Ramsey, *Rochelle, *Trail, *Wilder, *Williams, Sen..

Senate Joint Resolution No. 893 -- Memorials, Retirement - Ralph A. Brewer. by *Haynes.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Supplemental Consent Calendar for June 29, 2002:

House Joint Resolution No. 1188 -- Memorials, Personal Occasion - Reverend and Mrs. Ralph E. Sims, 50th wedding anniversary. by *Patton.

House Joint Resolution No. 1189 -- Memorials, Personal Achievement - Velma Lois Jones. by *Winningham, *Brown, *Towns, *Shaw, *Jones U (Shelby), *Shepard, *Kent, *Pinion, *Maddox, *Davidson, *Whitson, *Davis (Cocke), *Hagood, *Harwell, *Montgomery, *McCord, *Caldwell, *Patton, *Hargett, *Pleasant, *Bunch, *Scroggs, *Hood, *Casada, *Todd, *Bowers, *DeBerry L.

House Joint Resolution No. 1190 -- Memorials, Retirement - Jim Durham. by *Winningham, *Buck.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

RECOGNITION IN THE WELL

Representative Kent was recognized in the Well to introduce former Representative Ralph Duncan, who opened the proceedings with a prayer.

SUPPLEMENTAL CONSENT CALENDAR

House Joint Resolution No. 1188 -- Memorials, Personal Occasion - Reverend and Mrs. Ralph E. Sims, 50th wedding anniversary. by *Patton.

House Joint Resolution No. 1189 -- Memorials, Personal Achievement - Velma Lois Jones. by *Winningham, *Brown, *Towns, *Shaw, *Jones U (Shelby), *Shepard, *Kent, *Pinion, *Maddox, *Davidson, *Whitson, *Davis (Cocke), *Hagood, *Harwell, *Montgomery, *McCord, *Caldwell, *Patton, *Hargett, *Pleasant, *Bunch, *Scroggs, *Hood, *Casada, *Todd, *Bowers, *DeBerry L.

House Joint Resolution No. 1190 -- Memorials, Retirement - Jim Durham. by *Winningham, *Buck.

Rep. Winningham moved that all members voting aye on House Joint Resolution No. 1189 be added as sponsors, which motion prevailed.

Pursuant to **Rule No. 50**, Rep. Miller moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Supplemental Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Supplemental Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes94
Noes0

Representatives voting aye were: Armstrong, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 94.

A motion to reconsider was tabled.

SUPPLEMENTAL REGULAR CALENDAR NO. 2

Senate Bill No. 1494 -- Campaigns and Campaign Finance - Expresses intent of general assembly that campaign finance system be reformed to promote increased voter confidence and participation; directs registry of election finance to study issue and to provide recommendations to general assembly. Amends TCA Title 2; Title 3 and Title 8. by *Cooper J. (*HB674 by *Kisber, *McMillan)

Further consideration of Senate Bill No. 1494 previously considered on today's Calendar.

Rep. McMillan moved that Senate Bill No. 1494 be passed on third and final consideration.

Rep. Hargett moved adoption of Amendment No. 5 as follows:

Amendment No. 5

AMEND Senate Bill No. 1494 By deleting Sections 1, 2, 3, 7 and 8, in their entirety, added by House Finance Ways and Means Committee Amendment No. 1.

On motion, Amendment No. 5 was adopted.

Rep. Goins moved that Amendment No. 6 be withdrawn, which motion prevailed.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Rep. McMillan moved that **Senate Bill No. 1494**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	92
Noes	0
Present and not voting	2

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Briley, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 92.

Representatives present and not voting were: Boyer, Brooks -- 2.

A motion to reconsider was tabled.

House Bill No. 2569 -- Taxes, Sales - Requires affirmative vote of three-fifths of members of senate and house to increase rate of sales tax. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71 relative to taxation. by *Buck, *McDonald, *Sargent, *Davidson, *Bunch, *Hagood, *Tidwell, *Bittle, *Hargett, *Stanley, *Fraley, *Pleasant, *Sharp, *Baird, *Garrett, *Jones, S., *Odom, *Wood, *Hood, *Shepard, *Black, *Newton, *Turner (Davidson), *Pinion, *Montgomery, *Winningham, *Patton, *Clem. (*SB2829 by *Jackson)

Further consideration of House Bill No. 2569 previously considered on today's Supplemental Regular Calendar.

Rep. Buck moved that House Bill No. 2569 be passed on third and final consideration.

Rep. Kisber moved adoption of Finance, Ways and Means Committee Amendment No. 1.

Rep. Buck moved that House Bill No. 2569 be reset for the Regular Calendar on June 30, 2002, which motion prevailed.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

***House Bill No. 2995** -- Taxes, Privilege - Creates 1 percent privilege tax on enumerated occupations, capped at \$300. Amends TCA Title 67, Chapter 4. by *Buck. (SB3051 by *Crutchfield)

Further consideration of House Bill No. 2995 previously considered on today's Supplemental Regular Calendar.

Rep. Buck moved that House Bill No. 2995 be reset for the Regular Calendar on June 30, 2002, which motion prevailed.

House Bill No. 2758 -- Sunset Laws - Public safety committee, June 30, 2008. Amends TCA Title 4, Chapter 29 and Title 7, Chapter 86. by *Kernell, *Brooks, *Cooper B. (*SB2095 by *Harper, *Burchett, *Trail)

Further consideration of House Bill No. 2758 previously considered on June 29, 2002, at which time it was objected to on the Consent Calendar and reset for today's Supplemental Regular Calendar No. 2.

BILL RE-REFERRED

Rep. Kernell moved that House Bill No. 2758 be re-referred to the House Committee on Calendar and Rules, which motion prevailed.

SUPPLEMENTAL MESSAGE CALENDAR NO. 2

HOUSE ACTION ON SENATE MESSAGE

MOTION TO RECONSIDER

Rep. Winningham moved to lift from the table the motion to reconsider action in nonconcurring in Senate Amendment No. 1 as amended to House Bill No. 1131, which motion prevailed.

House Bill No. 1131 -- Education - Enacts "Tennessee Charter Schools Act of 2001." Amends TCA Title 49, Title 8, Chapter 35, and Sections 12-4-101 and 12-4-102. by *Winningham, *Montgomery, *McDaniel, *McCord, *Buttry, *Baird, *Black, *Beavers, *Boyer, *Sargent, *Scroggs, *Clem, *Vincent, *Dunn, *Wood, *Pleasant, *Bittle, *Sharp. (*SB887 by *Atchley, *Ford J, *Graves, *Trail, *McNally, *Person, *Haynes, *Crutchfield, *Carter, *Dixon, *Miller J, *Blackburn)

On motion, the House reconsidered its action in nonconcurring in Senate Amendment(s) No(s). 1 as amended.

Senate Amendment No. 1

AMEND House Bill No. 1131 by deleting all provisions of the bill following the enacting clause and substituting the following:

SECTION 1. This act shall be known and may be cited as the "Tennessee Public Charter Schools Act of 2002."

SECTION 2.

(a) The purpose of this act is to:

(1) Improve learning for all students and close the achievement gap between high and low students;

(2) Provide options for parents to meet educational needs of students in low performing schools.

(3) Encourage the use of different and innovative teaching methods, and provide greater decision making authority to schools and teachers in exchange for greater responsibility for student performance;

(4) Measure performance of pupils and faculty, and ensure that children have the opportunity to reach proficiency on state academic assessments;

(5) Create new professional opportunities for teachers;

(6) Afford parents substantial meaningful opportunities to participate in the education of their children.

(b) It is the intention of this act to provide an alternative means within the public school system for ensuring accomplishment of the necessary outcomes of education by allowing the establishment and maintenance of public charter schools that operate within a school district structure but are allowed maximum flexibility to achieve their goals.

(c) It is the intent of this act to provide both the state department of education and local school systems with options relative to the governance and improvement of low performing schools failing to meet adequate yearly progress as outlined in both TCA 49-1-602 and the federal Elementary and Secondary Education Act.

(d) It is the intent of this act to provide the state department of education and local school systems with options relative to the delivery of instruction for those students with special needs as specified in the federal IDEA.

(e) It is the intent of this act to provide local school systems the option to work in concert with the state's public higher education institutions to establish charter school "laboratories of teaching and learning" as a means of fostering educational innovations for implementation statewide as provided for in Section 6(a)(2).

SECTION 3. This act applies only to schools formed and operated in accordance with the provisions of this act.

SECTION 4. DEFINITIONS.

(1) "Charter agreement" means a performance-based agreement between the sponsor of a public charter school and the chartering authority, the terms of which are approved by the local board of education for an initial period of five (5) years.

(2) "Chartering authority" means the local board of education which approves, renews or decides not to revoke a public charter school application or agreement.

(3) "Governing body" means the organized group of persons who will operate a public charter school by deciding matters including, but not limited to, budgeting, curriculum and other operating procedures for the public charter school and by overseeing management and administration of a public charter school.

(4) "Licensed teacher" means a person over the age of eighteen (18) who meets the qualifications of Title 49, Chapter 5, Part 1 and has received a license to teach in the public school system in compliance with the rules and regulations of the state board of education.

(5) "Local education agency" has the same definition as used in Section 49-3-302.

(6) "Public charter school" means a public school in the state of Tennessee that is established and operating under the terms of a charter agreement and in accordance with this act.

(7) "Sponsor" means any individual, group, or other organization filing an application in support of the establishment of a public charter school, provided, however, that a sponsor cannot be a for-profit entity, a private school, a religious or church school, or promote the agenda of any religious denomination or religiously affiliated entity.

SECTION 5. STATUTES, RULES AND REGULATIONS.

(a) Public charter schools shall be part of the state program of public education.

(b) Except where waivers are otherwise prohibited in this act, the sponsor of a proposed public charter school may apply to either the local education agency or to the commissioner of education for a waiver of any state board rule or statute that inhibits or hinders the proposed charter school's ability to meet its goals or comply with its mission statement. Neither the LEA nor the commissioner shall waive regulatory or statutory requirements related to:

- (1) Federal and state civil rights;
- (2) Federal, state, and local health and safety;
- (3) Federal and state public records;
- (4) Immunizations;
- (5) Possession of weapons on school grounds;
- (6) Background checks and fingerprinting of personnel;
- (7) Federal and state special education services;
- (8) Student due process;
- (9) Parental rights;
- (10) Federal and state student assessment and accountability;
- (11) Open meetings; and
- (12) At least the same equivalent time of instruction as required in regular public schools.

SECTION 6. CREATION OR CONVERSION OF CHARTER SCHOOLS.

- (a) Public charter schools may be formed to:

- (1) Provide alternatives for students in schools failing to make adequate yearly progress, as defined by the state's accountability system; public charter schools created pursuant to Section 6(b)(2)(A) or (B) to address these needs are not subject to appeal to the state board of education.

- (2) Address the unique needs of students eligible for special education services as identified by federal guidelines or provide local school systems the option to work in concert with the state's public higher education teacher training institutions, not to exceed a combined total of nine (9) sites per year. At least seventy-five percent (75%) of the prospective student population, as specified in a proposed charter with a higher education teacher training institution, will be:

- (A) Students who were previously enrolled in a school failing to make adequate yearly progress, as defined by the state's accountability system; or

(B) Students who are failing to make adequate yearly progress upon initial eligibility for enrollment in the charter school, as defined by the state's accountability system; or

(C) Students who are eligible for free or reduced price school lunch programs.

Public charter schools applications designed to address these needs must be based on an agreement with the LEA and are not subject to appeal to the state board of education.

(b) A public charter school may be formed by creating a new school or converting an eligible public school to charter status pursuant to the provisions of this act.

(1) Newly created public charter schools:

(A) The sponsor of a public charter school must file a public charter school application with the local board of education on or before November 15 of the year preceding the year in which the proposed public charter school plans to begin operation.

(B) Upon approval of a charter application, the sponsor shall authorize a governing body to operate the public charter school. A public charter school shall be operated by a not-for-profit organization with exemption from federal taxation under 501(c)(3) of the Internal Revenue Code. No charter shall be granted to a for-profit corporation.

(C)(i) Newly created public charter schools created for the purpose stated in Section 6(a)(1) shall not exceed, statewide, the number of schools failing to make adequate yearly progress as defined by the state's accountability system.

(ii) However, in LEAs with more than thirty (30) schools failing to make adequate yearly progress, the number of newly created public charter schools shall be limited to one-third per year the number of schools failing to make adequate yearly progress, but not more than ten (10) schools in any LEA in the initial year of implementation.

(2) Conversion of eligible schools to charter status:

(A) An eligible public school may convert to a public charter school pursuant to the provisions of this act if the parents of sixty percent (60%) of the children enrolled at the school or sixty percent (60%) of the teachers assigned to the school agree and demonstrate support by signing a petition seeking conversion and the LEA agrees to the conversion. The percentage of parents signing a petition shall be calculated on the basis of one (1) vote for each child enrolled in the school. Parents whose children are enrolled at the school shall have the option to enroll their child in another public school without penalty.

(B) A LEA may convert an eligible public school to a public charter school pursuant to subsections (a)(1) or (2) of this section. Parents whose children are enrolled at the school shall have the option to enroll their child in another public school without penalty.

(C)(i) The conversion must occur at the beginning of an academic school year and shall be subject to compliance with this act.

(ii) At the time of conversion to a charter school, any teacher or administrator shall be allowed to transfer into vacant positions for which they are certified in other schools in the school system prior to the hiring of new personnel for those positions. Such personnel shall suffer no impairment, interruption, or diminution of the rights and privileges of a then existing teacher or administrator, and such rights and privileges shall continue without impairment, interruption or diminution with the local board of education. "Rights and privileges", as used in this subsection, include, but are not limited to, salary, pension or retirement benefits, sick leave accumulation, tenure, seniority, and contract rights with the local board of education. The director of schools shall have the option to specifically assign these teachers or administrators to those vacant positions.

(c)(1) No charter agreement shall be granted under this act that authorizes the conversion of any private, parochial, cyber-based, or home-based school to charter status.

(2) No cyber-based public charter school may be authorized.

(d) Nothing in this act shall be construed to prohibit any individual or organization from providing funding or other assistance to the establishment or operation of a public charter school, but such funding or assistance shall not entitle the individual or organization to any ownership interest in the school other than a security interest for repayment of a loan or mortgage. Any such funding or assistance shall be disclosed as provided in Section (7)(a)(20).

SECTION 7. APPLICATION PROCESS.

(a) On or before November 15 of the year preceding the year in which the proposed public charter school plans to begin operation, the sponsor seeking to establish a public charter school shall prepare and file with the local board of education an application providing the following information and documents:

(1) A statement defining the mission and goals of the proposed public charter school;

(2) The proposed instructional goals and methods for the school, which, at a minimum, shall include teaching and classroom instruction methods that will be used to provide students with the knowledge, proficiency, and skills needed to reach the goals of the school;

(3) A plan for evaluating student academic achievement at the proposed public charter school and the procedures for remedial action that will be used by the school when the academic achievement of a student falls below acceptable standards;

(4) An operating budget based on anticipated enrollment;

(5) The method for conducting annual audits of the financial, administrative and program operations of the school;

(6) A timetable for commencing operations as a public charter school which shall provide for a minimum number of academic instruction days, which shall not be fewer than those required by statute.

(7) The proposed rules and policies for governance and operation of the school;

(8) The names and addresses of the members of the governing body;

(9) A description of the anticipated student enrollment and the nondiscriminatory admission policies;

(10) The code of behavior and discipline of the proposed public charter school;

(11) The plan for compliance with the applicable health and safety laws and regulations of the federal government and the laws of the state of Tennessee;

(12) The qualifications required of employees of the proposed public charter school;

(13) The identification of the individuals and entities sponsoring the proposed public charter school, including their names and addresses;

(14) The procedures governing the deposit and investment of idle funds, purchasing procedures, and comprehensive travel regulations;

(15) The plan for the management and administration of the school;

(16) A copy of the proposed by-laws of the governing body of the charter school;

(17) A statement of assurance of liability by the governing body of the charter school;

(18) Types and amounts of insurance coverage to be held either by the charter school or approved by the local board of education, including provisions for assuring that the insurance provider will notify the department of education within ten (10) days of the cancellation of any insurance it carries on the charter school;

(19) The plan for transportation for the pupils attending the charter school; and

(20) Information regarding financing commitments from equity investors or debt sources for cash or similar liquid assets sufficient to demonstrate that the charter school will have liquid assets sufficiently available to operate the school on an ongoing and sound financial basis. In lieu of cash or similar liquid assets, an applicant may provide a financial bond issued by a company authorized to issue surety bonds in Tennessee.

SECTION 8. APPROVAL, DENIAL OF APPLICATION. The provisions of this section shall apply only to applications for new charter schools under Section 6(b)(1)(C).

(1) The local board of education shall have the authority to approve applications to establish public charter schools and renew public charter school agreements. The local board of education shall rule by resolution, at a regular or special called meeting, on the approval or denial of a charter application within sixty (60) days of receipt of the completed application. Should the local board of education fail to either approve or deny a charter application within the sixty (60) day time limit herein prescribed, such application shall be deemed approved.

(2) The local board of education shall not deny an application on the basis that approval of the application might exceed the maximum number of public charter schools provided for in Section 6 of this act. The grounds upon which the local board of education based a decision to deny a public charter school application must be stated in writing, specifying objective reasons for the denial. Upon receipt of the grounds for denial, the sponsor shall have fifteen (15) days within which to submit an amended application to correct the deficiencies. The local board of education shall have fifteen (15) days either to deny or to approve the amended application.

(3) A denial by the local board of education of an application to establish a public charter school may be appealed by the sponsor, within ten (10) days of the final decision to deny, to the state board of education. The appeal and review process shall be in accordance with the provisions of this subsection. Within sixty (60) days after receipt of the notice of appeal or the making of a motion to review by the state board and after reasonable public notice, the state board, at a public hearing which shall be held in the school district in which the proposed charter school has applied for a charter, shall review the decision of the local board of education and make its findings. If the state board finds that the local board's decision was contrary to the best interests of the pupils, school district, or community, the state board shall remand such decision to the local board of education with written instructions for approval of the charter. The decision of the state board shall be final and not subject to appeal. The LEA, however, shall be the chartering authority.

SECTION 9. APPLICABLE CAPS. Immediately upon approval of a charter, the chartering authority shall notify the department of education. Date of the official action by the chartering authority shall be considered by the department in determining whether the charter is permitted under the applicable caps contained in this act.

SECTION 10. CHARTER AGREEMENT.

(a) The approval by the chartering authority of a public charter school application shall be in the form of a written agreement signed by the sponsor and the chartering authority, which shall be binding upon the governing body of the public charter school. The charter agreement for a public charter school shall be in writing and contain all components of the application.

(b) The governing body of the charter school may amend the original charter by making petition to the chartering authority. Timelines for approval and the appeal process in Section 8 shall apply to all petitions to amend the original charter. The governing body of a charter school may also request the chartering authority to allow a voluntary termination of the charter school prior to the expiration of the charter.

(c)(1) Upon dissolution of a charter school for any reason or if a charter is not renewed, any unencumbered public funds from the charter school shall revert to the local education agency. In the event that a charter school is dissolved or otherwise terminated, all LEA property and improvements, furnishings and equipment purchased with public funds shall automatically revert to full ownership by the LEA, subject to complete satisfaction of any lawful liens or encumbrances.

(2) If a charter school is dissolved for any reason or a charter is not renewed, the charter school is responsible for all debts of the charter school. The LEA may not assume the debt from any contract for services made between the governing body of the school and a third party, except for a debt that is previously detailed and agreed upon in writing by both the LEA and the governing body of the school and that may not reasonably be assumed to have been satisfied by the LEA.

SECTION 11. COMPLIANCE.

(a) A public charter school shall:

(1) Operate as a public, nonsectarian, non-religious public school, with control of instruction vested in the governing body of the school under the general supervision of the chartering authority and in compliance with the charter agreement and this act;

(2) Meet the same performance standards and requirements adopted by the state board of education for public schools.

(3) Receive state, federal, and local funds from the local board of education; and

(4) Provide special education services for students as provided in Title 49, Chapter 10.

(b) A public charter school shall be subject to all federal and state laws and constitutional provisions prohibiting discrimination on the basis of disability, race, creed, color, national origin, religion, ancestry, or need for special education services. A public charter school may not violate or be used to subvert any state or federal court orders in place in the local school district.

(c) A public charter school shall comply with all applicable health and safety standards, regulations and laws of the United States and the State of Tennessee.

(d) A public charter school shall be accountable to the chartering authority for the purposes of ensuring compliance with the charter agreement and the requirements of this act.

(e) All contracts for goods and services in excess of five thousand dollars (\$5,000) shall be bid and must be approved by the governing body of each public charter school.

(f) A public charter school shall be governed and managed by a governing body in a manner agreed to by the sponsor and the chartering authority as provided in the charter agreement.

(g) With regard to conflicts of interest, the governing body of a public charter school shall be subject to the provisions of Sections 12-4-101 and 12-4-102.

(h) The meetings of the governing body of a public charter school shall be deemed public business and must be held in compliance with Title 8, Chapter 44, Part 1.

(i) All teachers in a public charter school must have a current valid Tennessee teaching license, or meet the minimum requirements for licensure as defined by the state board of education.

(j) A public charter school is subject to state audit procedures and audit requirements.

(k) A public charter school shall not charge tuition; provided, however, tuition may be charged if the governing body of the charter school approves a transfer from another district to a public charter school in its district pursuant to the provisions of Section 49-6-3003.

(l) A charter school shall be operated on a July 1 to June 30 fiscal year and the governing body shall adopt and operate under an annual budget for such fiscal year. The budget shall be prepared in the same format as that required by the state department of education for local education agencies.

(m) A charter school shall maintain its accounts and records in accordance with generally accepted accounting principles and in conformance with the uniform chart of accounts and accounting requirements prescribed by the comptroller of the treasury. The charter school shall prepare and publish an annual financial report that encompasses all funds. The annual financial report shall include the audited financial statements of the charter school.

(n) A charter school shall require any member of the governing body, employee, officer or other authorized person who receives funds, has access to funds, or has authority to make expenditures from funds, to give a surety bond in the form prescribed by Section 8-19-101. The cost of such surety bond shall be paid by the charter school and in such amount as determined by the governing body.

SECTION 12. FUNDING.

(a) The local board of education shall allocate one hundred percent (100%) of the state and local education funds to the charter school on the per pupil expenditure of the local education agency. The per pupil expenditure shall be based on the prior year average daily membership (ADM) of the LEA. All funds shall be spent according to the budget submitted in the charter agreement, or as otherwise revised by the public charter school governing body, subject to the requirements of state and federal law. At the request of the governing body of the public charter school, the local board of education may act as fiscal agent for a public charter school or distribute the allocated funds to the public charter school to be administered in compliance with the charter agreement and state and federal laws.

(b) Funds which would otherwise be allocated on the basis of enrollment in the prior year shall be allocated, during the first full academic year of operation of any public charter school, on the basis of the anticipated enrollment in the charter agreement, which amount shall be subsequently adjusted to reflect the actual number of students enrolled.

(c) In order to comply with the requirements for allocating funds to the public charter school, the local board of education may provide liability or other forms of insurance pursuant to the charter agreement.

(d) A public charter school may also be funded by federal grants, grants, gifts, devises, or donations from any private sources, and state funds appropriated for the support of the public charter school, if any, and any other funds that may be received by the local school district. Receipt of any such funds shall be reported to the chartering authority. Public charter schools, the local board of education and the state department of education are encouraged to apply for federal funds appropriated specifically for the support of public charter schools.

SECTION 13. ENROLLMENT.

(a) Participation in a public charter school shall be based on parental choice, or the choice of the legal guardian or custodian.

(b)(1) A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building.

(2)(A) If applications exceed the planned capacity of the public charter school, the following preferences shall apply:

(i) Pupils in attendance in the previous school year at any public school that converts to become a public charter school;

(ii) Pupils attending public schools within the local education agency in which the public charter school is located, if those pupils would otherwise be included in the area in which the public charter school will focus;

(iii) Children residing within the local education agency service area in which the public charter school is located, but who are not enrolled in public schools, if those children would otherwise be included in the area in which the public charter school will focus; and

(iv) Children residing outside the local education agency in which the public charter school is located and whose needs would be included in the area in which the public charter school will focus.

(B) If enrollment within a group of preference set out in subdivision (2)(A) exceeds the planned capacity of the school, enrollment within that group shall be determined on the basis of a lottery.

(c) Subject to the requirements of subsections (a) and (b) of this section, preference may be afforded to the siblings of a pupil who is already enrolled and to the children of a teacher, sponsor or member of the governing body of the charter school, not to exceed ten (10%) of total enrollment or twenty-five (25) students, whichever is less.

SECTION 14. TRANSPORTATION.

(a) If a public charter school elects to provide transportation for its pupils, the transportation shall be provided by the school or by agreement with the local education agency within the district in which the school is located in the same manner it would be provided if the students were enrolled in any other school within the local education agency. If a public charter school elects not to provide transportation for its pupils, the school shall not receive the funds that would otherwise have been spent to do so.

(b) For pupils who reside outside the district and who have been approved by the governing board of a charter school to attend a public charter school, the school is not required to provide or pay for transportation.

(c) At the time a pupil enrolls in a public charter school, the school shall provide the child's parent or guardian with information regarding transportation.

(d) Both the school and the LEA in which the school is located shall include in their annual reports what transportation plans are in effect for charter schools.

SECTION 15. CONDITIONAL APPROVAL. If approval is a prerequisite for the sponsor to raise working capital, a chartering authority may grant conditional approval for a charter application. The chartering authority shall grant full approval subject to the sponsor providing information regarding financing commitments from equity investors or debt sources for cash or working capital sufficient to demonstrate that charter school will have liquid assets sufficiently available to operate the school on an ongoing and sound financial basis. In lieu of cash or similar liquid assets, an applicant may provide a financial bond issued by a company authorized to issue surety bonds in Tennessee. The office of the comptroller shall verify the adequacy of any financial bond provided as assets.

SECTION 16. INFORMATION ON CHARTER SCHOOLS.

(a) The state department of education shall provide information to the public, directly and through the local board of education, on how to form and operate a public charter school. This information shall include a standard application format which shall include the information specified in Section 7 of this act.

(b) The state department of education shall monitor the status of charter school applications and shall maintain information on the total number of charter school applications, total number of charter school applications granted by type of school, total number of charter school applications denied, and total number of charter school applications appealed and the status or outcome of such appeals.

SECTION 17. LEAVES OF ABSENCE FOR TEACHERS.

(a) If a teacher employed by a local education agency makes a written request for an extended leave of absence to teach at a public charter school, the local education agency may grant the leave. Any extensions are at the discretion of the local education agency. The leave shall be governed by Title 49, Chapter 5, Part 7, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

(b) The years of service acquired by a teacher while on a leave of absence to teach at a public charter school may, at the discretion of the local board, be used to obtain or determine tenure status.

(c) For salary rating purposes, a teacher shall receive credit for years of service acquired while teaching at a public charter school.

SECTION 18. BARGAINING UNITS.

Employees of a charter school may, if otherwise eligible, organize under the "Education Professional Negotiations Act", Title 4, Chapter 5, Part 6, and comply with its provisions upon the formation of one or more bargaining units at the school. Bargaining units at the school shall be separate from any other unit within the local education agency. Bargaining units in charter schools may elect to represent themselves in negotiations with their governing body, or they may elect to be represented by any qualified person or organization, including the local bargaining unit within the local education agency. Bargaining units in charter schools can bargain only with the governing board of the charter school and not with the board of the local education agency.

SECTION 19. GROUP INSURANCE. Teachers, as defined in Section 8-34-101(46), of a public charter school shall participate in the group insurance plans authorized in Title 8, Chapter 27, Part 3 in the same manner as teachers of the local education agency.

SECTION 20. RETIREMENT BENEFITS. Tennessee Code Annotated, Title 8, Chapter 35, Part 2, is amended by adding the following as a new, appropriately designated section:

Section 8-35-2 (___)

(a) All teachers and employees of a public charter school that converts from a public school shall continue to participate in the same retirement program as the teachers and employees of the local board of education to which the charter school is associated. Such participation shall be under the same terms and conditions as the teachers and employees of the local board of education. For retirement purposes, all teachers and employees of such a public charter school shall be considered employees of the local board of education and such board of education shall be responsible for all reporting and submission of funds to the appropriate retirement system.

(b) All teachers and employees of a new public charter school shall participate in the same retirement program as the teachers and employees of the local board of education to which the charter school is associated. Such participation shall be under the same terms and conditions as the teachers and employees of the local board of education. For retirement purposes, all teachers and employees of such a public charter school shall be considered employees of the local board of education and such board of education shall be responsible for all reporting and submission of funds to the appropriate retirement system.

SECTION 21. REPORTING REQUIREMENTS. The governing body of the public charter school shall make at least an annual progress report to the sponsor of the school, the chartering authority, and the commissioner of education. The report shall contain at least the following information:

- (1) The progress of the school toward achieving the goals outlined in its charter;
- (2) The same information required in the reports prepared by local boards of education pursuant to state laws, rules and regulations; and
- (3) Financial records of the school, including revenues and expenditures.

The reports made pursuant this section shall be public information pursuant to the provisions of Section 10-7-504(a)(4). Based on the information provided to the commissioner of education under the provisions of this section, the commissioner shall prepare and submit an annual report on charter schools to the joint oversight committee on education.

SECTION 22. TERM OF CHARTER – RENEWAL.

(a) New public charter schools, conversion schools and all renewals of charter agreements shall be for five-year periods.

(b) No later than November 15 of the year prior to the year in which the charter expires, the governing body of a public charter school shall submit a renewal application to the chartering authority. The chartering authority shall rule by resolution, at a regular or special called meeting, on whether to approve or deny the renewal application. The decision of the chartering authority shall be based on the report and evaluation provided for in Section 21. If the original charter application was appealable to the state board of education, a decision by the chartering authority to deny renewal may be appealed by the governing body, within ten (10) days of the decision to deny, to the state board of education. If the state board of education directs the LEA to approve the renewal of the charter agreement, the public charter school shall continue to operate for the prescribed period of five (5) academic years. A decision by the state board of education to deny the renewal of a charter agreement shall be final. No appeal may be taken.

(c) A public charter school renewal application shall contain:

(1) A report on the progress of the school in achieving the goals, objectives, pupil performance standards, content standards, and other terms of the approved charter agreement; and

(2) A financial statement that discloses the costs of administration, instruction, and other spending categories for the school.

SECTION 23. REVOCATION OR RENEWAL OF CHARTER.

(a) A public charter school agreement may be revoked or denied renewal by the final chartering authority if such chartering authority determines that the school did any of the following:

(1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter;

(2) Failed to meet or make adequate yearly progress toward achievement of the state's accountability system; or

(3) Failed to meet generally accepted standards of fiscal management.

(b) If the chartering authority revokes or does not renew a charter agreement, the chartering authority shall state its reasons for the revocation or nonrenewal.

(c) A decision not to renew or to revoke a charter agreement may be appealed to the state board of education within ten (10) days of the decision, except for revocations or failures to renew based on any of the violations specified in subsection (d) of this section. State board appeals shall be handled on the same basis as provided in Section 8.

(d) Except in the case of fraud, misappropriation of funds, flagrant disregard of the charter agreement or the provisions of this act, or similar misconduct, or failure to make adequate yearly progress for two (2) consecutive years, a decision to revoke a charter shall become effective at the close of the academic year.

SECTION 24. ENROLLMENT OF STUDENTS IN TERMINATED CHARTER SCHOOL.

If a charter agreement is not renewed or is terminated in accordance with Section 23 of this act, a pupil who attended the school, siblings of the pupil, or another pupil who resides in the same place as the pupil may enroll in the resident district or may submit an application to a nonresident district according to the provisions of Section 49-6-3105, at any time. Applications and notices required by this section shall be processed and approved in a prompt manner.

SECTION 25. CHARTER SCHOOL POWERS. The governing body of a public charter school may sue and be sued. The governing body may not levy taxes or issue bonds except in accordance with state law. A public charter school may conduct activities necessary and appropriate to carry out its responsibilities such as:

- (1) Contract for services, except for the management or operation of the charter school by a for-profit entity;
- (2) Buy, sell or lease property; borrow funds as needed; and
- (3) Pledge its assets as security, provided however those assets are not leased or loaned by the state or local government.

SECTION 26. IMMUNITY. The governing body of a charter school shall be subject to the same limits of liability as local school systems and shall provide insurance in accordance with Section 7 for any liability exposure.

SECTION 27. PROMULGATION OF RULES AND REGULATIONS. The state board of education is authorized to promulgate rules and regulations for the administration of this act. Proposed rules and regulations shall be submitted by the state board to the joint oversight committee on education for review and comment.

SECTION 28. AUDITS.

(a) The comptroller of the treasury is hereby authorized to audit any books and records, including internal school activity and cafeteria funds, of any charter school created under this act and by virtue of the statutes of the state of Tennessee when such audit is deemed necessary or appropriate by the comptroller of the treasury. The comptroller of the treasury shall have the full cooperation of officials of the charter school in the performance of such audit or audits.

(b)(1) The governing body of the charter school shall cause an annual audit to be made of the accounts and records, including internal school activity and cafeteria funds, of their school. Such audits may be prepared by certified public accountants or by the department of audit.

(2) The audit shall be completed as soon as practical after June 30 of each year and a copy of such audit shall be furnished to the local board of education, the special joint oversight committee on education, the commissioner of education and the comptroller of the treasury.

(c) The comptroller of the treasury, through the department of audit, shall be responsible for ensuring that the audits are prepared in accordance with generally accepted auditing standards and determining if the audits meet minimum audit standards and regulations which shall be prescribed by the comptroller of the treasury. No audit may be accepted as meeting the requirements of this section until such audit has been approved by the comptroller of the treasury. In the event the governing body fails or refuses to have the audit prepared, then the comptroller of the treasury may appoint a certified public accountant or direct the department of audit to prepare the audit, the cost of such audit shall be paid by the governing body.

SECTION 29. EFFECTIVE DATE. This act shall take effect upon becoming law, the public welfare requiring it; however, such provisions related to the creation of new public charter schools shall sunset effective July 1, 2008, unless re-enacted or extended by the general assembly prior to that date.

Senate Amendment No. 1 to 1

AMEND House Bill No. 1131 by deleting Section 6(b)(2)(C)(ii), as amended, and replacing it with the following:

(ii) At the time of conversion to a charter school, any teacher or administrator in the charter school shall be allowed to transfer into vacant positions for which they are certified in other schools in the school system prior to the hiring of new personnel for those positions. Such personnel who transfer into vacant positions in other schools in the school system shall suffer no impairment, interruption, or diminution of the rights and privileges of a then existing teacher or administrator, and such rights and privileges shall continue without impairment, interruption or diminution with the local board of education. "Rights and privileges," as used in this subsection, include, but are not limited to, salary, pension or retirement benefits, sick leave accumulation, tenure, seniority, and contract rights with the local board of education. The director of schools shall have the option to specifically assign these teachers or administrators to those vacant positions.

Senate Amendment No. 2 to 1

AMEND House Bill No. 1131 in Section 8(3), by deleting the words "at a public hearing which shall be held" in the third sentence thereof and substituting the language "at a public hearing attended by the board or its designated representative and held".

Rep. Winningham moved that the House concur in Senate Amendment(s) No(s). 1 as amended to **House Bill No. 1131**, which motion prevailed by the following vote:

Ayes 77
Noes 12

Representatives voting aye were: Armstrong, Baird, Beavers, Bittle, Black, Bone, Boyer, Briley, Brooks, Buck, Buttry, Caldwell, Casada, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry L, Ford, Fowlkes, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, McCord, McDaniel, McDonald, McKee, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Pinion, Pleasant, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Davidson), Vincent, Walker, West, White, Whitson, Winningham, Wood, Mr. Speaker Naifeh -- 77.

Representatives voting no were: Bowers, Bunch, Clem, Dunn, Ferguson, Fitzhugh, Fraley, Lewis, Maddox, Shaw, Turner (Shelby), Windle -- 12.

A motion to reconsider was tabled.

HOUSE ACTION ON SENATE MESSAGE

MOTION TO RECONSIDER

Rep. Kernell moved to lift from the table the motion to reconsider action in passing Senate Bill No. 2107, which motion prevailed.

***Senate Bill No. 2107** -- Sunset Laws - Department of human services, June 30, 2006. Amends TCA Title 4, Chapter 3 and Title 4, Chapter 29. by *Harper, *Burchett, *Trail. (HB2753 by *Kernell, *Brooks, *Cooper B)

Rep. Kernell moved to reconsider action in passing Senate Bill No. 2107, which motion prevailed.

On motion, the House reconsidered its action in adopting Amendment(s) No(s). 1. On motion, Amendment(s) No(s). 1 was/were withdrawn.

Rep. Kernell moved that **Senate Bill No. 2107** be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	93
Noes	0
Present and not voting	1

Representatives voting aye were: Armstrong, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 93.

Representatives present and not voting were: Brown -- 1.

A motion to reconsider was tabled.

HOUSE ACTION ON SENATE MESSAGE

***House Bill No. 2789** -- Budget Procedures - Requires comparison of projected state tax revenue and proposed expenditure of state tax revenue to be included in budget proposal, as well as 10-year historical data on state tax revenue and expenditures. Amends TCA Title 4, Chapter 3 and Title 9, Chapter 4, by *Fitzhugh, *McMillan, *Naifeh, *DeBerry L, *Scroggs, *McDaniel, *White, *Maddox, *Sands, *Bone, *Briley, *Lewis, *Kisber, *Hood, *Shepard, *Bowers, *Brooks, *Kent, *Newton, *Brown, *Pinion, *Head, *Bittle, *Wood, *Givens, *Cole (Carter), *Chumney, *Curtiss, *Phelan, *Fowlkes, *Vincent, *Montgomery, *Hagood, *Turner (Hamilton), *Ridgeway, *Todd, *Hargett, *Pleasant, *Sharp, *Jones U (Shelby), *Dunn, *Buttry, *Sargent, *Davis (Washington), *Black, *Beavers, *Stanley, *Rowland, *Bunch, *Goins, *Tindell, *Fraley. (SB2919 by *Clabough, *Haun, *Crowe, *Person)

Senate Amendment No. 1

AMEND House Bill No. 2789 by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 4, is amended by creating the following new, appropriately designated part:

9-4-5601. This part shall be known and may be cited as the "Tennessee Governmental Accountability Act of 2002."

9-4-5602. The general assembly finds and declares that accountability in program performance is vital to effective and efficient delivery of governmental services, and to maintain public confidence and trust in government. To maximize accountability, a system of strategic planning, performance-based budgeting, and performance audits should be implemented to measure the effectiveness and efficiency of governmental services. It is of paramount public importance that this system encourages full and candid participation by all agencies of state government. This system will generate information necessary for the public to be informed fully and for the general assembly to make meaningful decisions about the allocation of scarce resources in meeting vital needs.

9-4-5603. The strategic planning, performance-based budgeting, and performance review requirements of this part shall apply to all state departments, agencies, boards and commissions.

9-4-5604. For purposes of this part, the following terms shall have the following meaning unless the context requires otherwise:

(1) "Agency" or "state agency" means any unit of organization of the executive department, including any official, officer, department, board, commission, division, bureau, section, district, office, authority, committee, or council or any other unit of state government, however designated, including, without limitation, higher education. For purposes of this act, "agency" or "state agency" shall not include the governor's office, the judicial department, or the legislative department. For purposes of this act, "judicial department" means the court system, district attorneys general conference, district public defenders conference, and the office of post-conviction defender.

(2) "Baseline data" means indicators of a state agency's current performance level, pursuant to guidelines established by the commissioner of finance and administration.

(3) "Commissioner" means the commissioner of finance and administration.

(4) "Outcome" means an indicator of the actual impact or public benefit of a program.

(5) "Output" means the actual service or product delivered by a state agency.

(6) "Performance-based program budget" means a budget that incorporates program statements and performance measures.

(7) "Performance measure" means a quantitative or qualitative indicator used to assess state agency performance, including outcome and output indicators.

(8) "Program" means a set of activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives. Such program shall be a budget unit included in the budget document for which an appropriation is provided in the general appropriations act.

(9) "Standard" means the desired level of performance of a program, measured by outcome or output.

9-4-5605.

(a) It is the legislative intent that the requirements of the Tennessee Governmental Accountability Act of 2002 constitute a new approach to the budgeting, planning, and accountability process, rather than an addition to existing procedures.

(b) The comptroller of the treasury shall have authority to employ outside consultants and entities with expertise in governmental finance and performance review for the purpose of conducting performance reviews or otherwise fulfilling his duties under this part. The performance reviews required under this part may be conducted by a private entity selected by the comptroller subject to the competitive bidding requirements of title 4, chapter 12.

9-4-5606.

(a) The commissioner of finance and administration annually shall issue instructions for the development of performance measures and standards for each program for which a state agency will submit a budget request as provided by Section 9-4-5103(b).

(b) By July 1 each year, each state agency subject to performance-based budgeting is required to submit to the commissioner of finance and administration, in a form to be specified by the commissioner, a strategic plan and proposed performance measures and standards for each program for which a budget request must be submitted pursuant to Section 9-4-5103(b). Such state agencies shall also identify the outputs produced by each program, the outcomes resulting from each program, baseline data associated with each performance measure, and performance standards. Performance measures and standards shall be reviewed by the commissioner of finance and administration, revised as deemed necessary by the commissioner of finance and administration, and included in the budget request required by Section 9-4-5103(b). In reviewing budget requests and transmitting the budget document to the general assembly in accordance with Section 9-4-5105, the governor, with the assistance of the commissioner of finance and administration, may revise, add, or delete performance measures and standards as the governor may deem necessary.

(c) Notwithstanding the programs, performance measures, and standards recommended in the budget document submitted pursuant to Section 9-4-5105, the general assembly shall have final approval of all strategic plans, performance measures and standards through the appropriations act and shall have discretion in the appropriations act, consistent with otherwise applicable requirements of general law and the constitution of Tennessee, to increase, reduce, eliminate, or otherwise alter the appropriation to a state agency.

(d) Each state agency subject to performance-based budgeting shall submit to the commissioner of finance and administration any documentation required by the commissioner regarding the validity, reliability, and appropriateness of each performance measure and standard and regarding how the strategic plan and the performance measures are used in management decision-making and other agency processes.

(e)(1) Annually, at a time to be determined by the commissioner of finance and administration after the general appropriations act becomes law, state agencies may submit to the commissioner any adjustments to their performance measures and standards based on the amounts appropriated for each program by the general assembly. The commissioner of finance and administration shall report on the adjusted performance measures and standards to the chairmen of the senate and house finance, ways and means committees upon approval of the work program allotments required by Section 9-4-5110.

(2) At any time during the fiscal year in which a state agency, by restraining order, injunction, consent decree, settlement, or any final judgment of a court of competent jurisdiction, or by law or executive order, is required to modify its operations, or the state agency receives additional federal or other funding, the state agency may submit to the commissioner of finance and administration any necessary adjustments to its performance measures and standards.

(3) When such adjustment is made pursuant to subdivisions (1) and (2), all performance measures and standards, including any adjustments made, shall be submitted to and reviewed and revised as necessary by the commissioner of finance and administration. The commissioner shall maintain the official record of adjustments to the performance measures and standards and shall report such adjustments to the chairmen of the senate and house finance, ways and means committees.

(f) A state agency subject to performance-based budgeting shall not have the authority to amend or establish programs or performance measures but may propose a revision to the commissioner of finance and administration, who shall have authority to revise and approve programs and performance measures submitted pursuant to subdivisions (e)(1) and (e)(2) in connection with establishing original work program allotments and revisions thereto pursuant to Sections 9-4-5110 and 9-4-5112.

9-4-5607. The commissioner of finance and administration shall develop a schedule for including state agencies within performance-based budgeting and review, beginning with three (3) agencies selected for fiscal year 2004-2005. All agencies of state government shall be included in performance-based budgeting and review not later than fiscal year 2011-2012.

9-4-5608.

(a) Beginning in fiscal year 2005-2006, for agencies included in performance-based budgeting, the commissioner of finance and administration shall at least annually, and more frequently if necessary, evaluate each state agency's compliance with its strategic plan and performance-based measures and shall report to the governor and the senate and house finance, ways and means committees concerning each agency's compliance with its strategic plan and performance-based measures. Such reports shall include comments from the state agency. Such reports shall be timely furnished, and updated if necessary, for use by the senate and house finance, ways and means committees in consideration of the appropriations act.

(b) The commissioner of finance and administration's report as to each state agency's compliance may contain recommendations to the governor and the senate and house finance, ways and means committees concerning the following nonexhaustive performance measure incentives or disincentives for potential inclusion in the appropriations bill:

(1) Incentives may include, but are not limited to:

(A) Additional flexibility in budget management;

(B) Additional flexibility in salary rate and position management, notwithstanding the provisions of Title 8, Chapter 23, or any other law to the contrary;

(C) Retention of up to fifty percent (50%) of unexpended and unencumbered balances of appropriations, excluding special categories and grants in aid, that may be used for non-recurring purposes including, but not limited to, lump-sum bonuses, employee training, or productivity enhancements, including technology and other improvements; and

(D) Additional funds to be used for, but not limited to, lump-sum bonuses, employee training, or productivity enhancements, including technology and other improvements.

(2) Disincentives may include, but are not limited to:

(A) Mandatory quarterly reports to the governor on the agency's progress in meeting performance standards;

(B) Mandatory quarterly appearances before the governor to report on the agency's progress in meeting performance standards;

(C) Elimination or restructuring of the program, which may include, but not be limited to, transfer of the program or outsourcing all or a portion of the program;

(D) Reduction of total positions for a program;

(E) Restriction on or reduction of the appropriation for the program; and

(F) Reduction of managerial salaries, notwithstanding the requirements of Title 8, Chapter 23, or any other law to the contrary.

9-4-5609.

(a) In the fiscal year beginning July 1, 2003, and each year thereafter, each state agency subject to performance-based budgeting (but a year before the schedule provided by Section 9-4-5607) shall prepare a strategic plan for delivering the services and achieving the objectives required of it under the laws of the state of Tennessee and any federal program in which the state of Tennessee participates. The strategic plan shall include, but not be limited to, the following matters:

(1) The statutory and constitutional objectives of the entity;

(2) Identification of the scope of services the entity is required to provide and the best means of providing such services;

(3) Identification of any optional services the entity may provide, resources permitting, and the best means of providing such services;

(4) Means of maximizing federal or other non-state sources of revenue;

(5) Means of avoiding unnecessary costs and expenditures;

(6) Means of addressing any change in objectives or services since the previous strategic plan;

(7) Obstacles to meeting objectives and delivering services;

(8) Means of overcoming such obstacles; and

(9) Future challenges and opportunities.

(b)(1)(A) Each state agency shall submit its draft plan to the agency head, who shall prepare a single comprehensive plan for the agency and transmit the plan to the commissioner of finance and administration for review, modification, and approval. The Tennessee higher education commission shall submit to the commissioner a single strategic plan for all higher education budgetary units, with the advice of the university of Tennessee, the state university and community college system, and the Tennessee student assistance corporation.

(B) The comptroller of the treasury, state treasurer, secretary of state, and attorney general shall prepare their plans separately.

(C) The administrative office of the courts shall prepare a plan on behalf of the court system. Such plan shall include the court system, the district attorneys general conference, the district public defenders conference, and the office of post-conviction defender.

(D) The joint legislative services committee shall prepare a plan on behalf of the legislative department.

(2) Each strategic plan shall be submitted to the general assembly and the governor not later than September 1 of each year and shall cover the fiscal year in effect as of the date of the report. Plans for the executive branch agencies, including higher education, shall be consolidated and submitted by the commissioner of finance and administration.

9-4-5610.

(a) Each state agency shall be subject to a performance review of its activities by the comptroller of the treasury.

(b) The performance review shall include such matters as the comptroller of the treasury deems appropriate related to the manner in which the entity is delivering its services and achieving its objectives, including but not limited to:

(1) The efficient use of all state and federal resources and user fees;

(2) Additional non-state revenue or cost savings that the entity could achieve; and

(3) The extent to which the entity has achieved the objectives of its strategic plan.

(c) Each entity subject to a performance review shall cooperate fully with the comptroller of the treasury and shall timely provide all relevant documents and requested information. If any entity refuses to provide any requested documents or information, the comptroller shall include such refusal in its report, as well as the reasons given by the entity for not furnishing the documents or information.

9-4-5611.

(a) Notwithstanding the provisions of subsection (c) of this section, to achieve full and candid participation in the planning and audit process, no strategic plan or performance review, or any information generated solely for or by any such plan or review, shall be admissible in any judicial proceeding or administrative hearing.

(b) Any documents or information referenced in any such plan or audit that exist independently of the planning and review process shall not be subject to the prohibition of subsection (a). The admissibility of such documents and information shall be determined in accordance with the rules of evidence and standards otherwise applicable to any such proceeding.

(c) Each strategic plan and performance review shall be a public record under the provisions of Title 10, Chapter 7.

9-4-5612. Not later than June 30, 2003, the director of the office of legislative administration shall develop and submit to the joint legislative services committee proposed instructions for the development of performance measures for the legislative department in accordance with the criteria established in Section 9-4-5103(b). The joint legislative services committee shall review such proposed instructions, may revise or amend the proposed instructions, and shall adopt final instructions for the development of such performance measures.

9-4-5613. Not later than June 30, 2003, the judicial department, acting through the administrative office of the courts, shall identify and submit to the general assembly a list of programs that the administrative office of the courts recommends could operate under a performance-based program budget under the criteria established in Section 9-4-5103(b). By January 1, 2004, the administrative office of the courts shall submit to the general assembly performance measures and standards for such programs. Notwithstanding any other provisions of this act, the general assembly, in consultation with the judicial branch, may develop statutory procedures for evaluating the effectiveness of such programs.

SECTION 2. Tennessee Code Annotated, Section 9-4-5103, is amended by designating the existing language as subsection (a) and by inserting the following new language as subsection (b):

(b) Any state agency subject to performance-based budgeting requirements under Title 9, Chapter 4, Part 56, shall include with its budget request the program performance measures and standards required by Section 9-4-5606. The following documentation shall accompany the budget request in a form to be prescribed by the commissioner of finance and administration:

(1) Identification of the customers, clients, and users of each program;

(2) The purpose of each program or the benefit derived by the customers, clients, and users of the program;

(3) Costs of each program;

(4) All sources of funding for each program, classified as appropriations from state revenues or reserves, specifying appropriations from dedicated taxes and fees, and departmental revenues by type, as determined by the commissioner of finance and administration;

(5) Information on fees collected and the adequacy of those fees in funding each program for which the fees are collected;

(6) An assessment of whether each program is conducive to performance-based budgeting; and

(7) An assessment of the time needed to develop meaningful performance measures for each program.

SECTION 3. Tennessee Code Annotated, Section 9-4-5106, is amended by inserting the following new language in subdivision (a)(3), as amended by Acts of 2002, Public Chapter 510, following the word and punctuation "chapter;":

it also shall include a performance-based program budget for all state agencies subject to performance-based budgeting, including program statements and performance measures;

SECTION 4. Tennessee Code Annotated, Section 9-4-5108, is amended by adding the following new subsection:

(e) Notwithstanding the provisions of any other law to the contrary, the appropriations bill may specify incentives or disincentives relative to performance-based budgeting.

SECTION 5. Tennessee Code Annotated, Section 9-4-5102 is amended by deleting the words "zero-based" and inserting in lieu thereof the words "performance-based program".

SECTION 6. Tennessee Code Annotated, subsections 9-4-5106(b) and 9-4-5115(b) hereby are repealed.

SECTION 7. This act shall be null and void unless appropriations necessary to implement its provisions are made in each general appropriations act for fiscal years 2002-2003, 2003-2004, and any future years in which the requirements of this act are being extended to additional state agencies. The commissioner of finance and administration shall certify to the Tennessee Code Commission any fiscal year in which appropriations necessary to implement the provisions of this act are not made in the general appropriations act.

SECTION 8. No expenditure of public funds pursuant to this act shall be made in violation of the provisions of Title VI of the Civil Rights Act of 1964, as codified in 42 United States Code 2000(d).

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.

Senate Amendment No. 2

AMEND House Bill No. 2789 by amending Senate Finance, Ways and Means Committee Amendment No. 1 by inserting the following as a new section 2 and renumbering the existing section 2 and subsequent sections appropriately:

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 4, is amended by adding the following new section:

9-4-5614. (a) There is hereby created the Tennessee governmental accountability commission, to be comprised of three ex officio members: the comptroller of the treasury, who shall be chairman; the executive director of the fiscal review committee, who shall be vice chairman; and the director of the office of legislative budget analysis, who shall be secretary of the commission. The members shall serve without additional compensation, except for travel expenses, to be provided in accordance with the applicable state travel regulations.

(b) The commission, at least annually, beginning in fiscal year 2005-2006, shall review the performance report submitted by the commissioner of finance and administration pursuant to section 9-4-5608. The commission, in writing, shall comment and may make recommendations to the senate and house finance, ways and means committees on the strategic plan and actual performance of agencies subject to performance-based budgeting in the previous fiscal year, on the reasonableness of performance measures and standards recommended in the budget document for those agencies subject to performance-based budgeting in the next future fiscal year, and on any other strategic plan and program performance matter the commission deems appropriate.

(c) The commission shall provide the comments required and recommendations authorized by subsection (b) in sufficient time for use by the senate and house finance, ways and means committees in considering the appropriations bill.

Rep. Fitzhugh moved that the House nonconcur in Senate Amendment(s) No(s). 1 and 2 to **House Bill No. 2789**, which motion prevailed.

MOTION TO RECONSIDER

Rep. Shepard moved to lift from the table the motion to reconsider action in passing Senate Bill No. 2534, which motion prevailed.

Senate Bill No. 2534 -- Controlled Substances - Enacts "Controlled Substance Monitoring Act of 2002." Amends TCA Title 53, Chapter 10, by *McNally, *Crowe, *Henry, *Rochelle, *Carter, *Burks. (*HB2450 by *Shepard, *Tidwell, *Black, *Caldwell, *Hagood, *Pinion, *Buck, *Kent, *Cole (Carter))

Rep. Shepard moved to reconsider action in passing Senate Bill No. 2534, which motion prevailed.

Rep. Shepard moved that Senate Bill No. 2534 be passed on third and final consideration.

Rep. Shepard moved adoption of Amendment No. 8 as follows:

Amendment No. 8

AMEND Senate Bill No. 2534 By deleting from subsection (a) of Section 53-10-306 of the amendatory language of SECTION 1 the following language:

(a) information sent to, contained in, and reported from the database in any format is confidential and not subject to the provisions of Tennessee Code Annotated Title 10, Chapter 7, and not subject to subpoena or process of any kind issued from any court and shall be made available only as provided for in 53-10-308 and to the following persons, and in accordance with the limitations stated and committee rules:

and substituting instead the following language:

(a) information sent to, contained in, and reported from the database in any format is confidential and not subject to the provisions of Tennessee Code Annotated, Title 10, Chapter 7, and not subject to subpoena from any court and shall be made available only as provided for in 53-10-308 and to the following persons, and in accordance with the limitations stated and rules promulgated pursuant to the part, except that the information shall be subject to production pursuant to an order of a circuit or criminal court in a criminal investigation or pending prosecution subject to the provisions of subsection (b):

and further by adding the following new subsection (b) to 53-10-306 of the amendatory language of Section 1 and by relettering present subsections accordingly:

(b) The district attorney may apply for an order of a circuit or criminal court directed to the committee to disclose specific information to the district attorney for purposes of a criminal investigation or pending prosecution. The application for the order shall be accompanied by an affidavit reciting the specific information sought relative to a specific individual and the nature of the offense under investigation. The affidavit shall be by the district attorney or other law enforcement officer but only the district attorney shall have the authority to request the order. The judge may issue an order if the affidavit recites probable cause to believe that a violation of the criminal law has occurred and that the information in the database will be of material assistance in the investigation or prosecution. A copy of the application, affidavit and order shall be retained by the judge issuing the order. A return shall be made promptly to the judge executing the order as to the information acquired by said order. The application, affidavit, order and information may remain under seal and may only be disclosed by the judge issuing the order or by the judge having jurisdiction over the prosecution. A violation of this subsection shall result in the suppression of the information or collateral use of such information in any civil or criminal proceeding. Information obtained through this court order shall remain confidential except to the extent it is used in court for prosecution purposes. Unauthorized use or disclosure of this information shall be subject to the penalties set forth in § 53-10-306.

Rep. Todd moved the previous question on Amendment No. 8, which motion prevailed.

On motion, Amendment No. 8 was adopted.

Rep. Turner (Davidson) moved the previous question, which motion prevailed.

Rep. Shepard moved that **Senate Bill No. 2534**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	92
Noes	1

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 92.

Representatives voting no were: Turner (Shelby) -- 1.

A motion to reconsider was tabled.

SUPPLEMENTAL MESSAGE CALENDAR NO. 3

HOUSE ACTION ON SENATE AMENDMENTS

House Bill No. 1838 — Salaries and Benefits - Requires time and one-half payment to state employee eligible to receive overtime pay for any hours worked on state holiday or if such employee is not at work due to state holiday or on approved leave or compensatory time and is required to return to work on such holiday, or prior to expiration of approved leave. Amends TCA Title 8, by *Fitzhugh, *Givens, *McMillan, *Cole (Dyer), *Rinks, *Roach, *McKee, *Montgomery. (*SB1760 by *Haun, *McNally)

Senate Amendment No. 1

AMEND House Bill No. 1838 by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 8-30-208(c), is amended by deleting the period at the end of the sentence and by adding the following punctuation and language ", including any commissioned member of the department of safety, below the rank of captain, serving in the capacity of executive security, who has been so certified by the commissioner of safety to the commissioner of personnel."

SECTION 2. Any commissioned member of the department of safety, below the rank of captain, who is certified by the commissioner of safety as currently serving in the capacity of executive security shall be given full civil service status upon this act becoming law.

SECTION 3. This act shall take effect on July 1, 2002, the public welfare requiring it.

Rep. Fitzhugh moved that the House concur in Senate Amendment(s) No(s). 1 to **House Bill No. 1838**, which motion prevailed by the following vote:

Ayes95
Noes0

Representatives voting aye were: Armstrong, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 95.

A motion to reconsider was tabled.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 6:00 p.m.

ENGROSSED BILLS

June 29, 2002

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 1188, 1189 and 1190.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 7:30 p.m.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 1303.

The Senate nonconcurred in House Amendment(s) No(s). 2, 3 and 4.

RUSSELL A. HUMPHREY, Chief Clerk.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Supplemental Consent Calendar No. 2 for June 29, 2002:

House Joint Resolution No. 1192 -- Memorials, Recognition - Glenn and Marilyn Gardner, by *Bone.

SENATE JOINT RESOLUTIONS
(Congratulatory and Memorializing)

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Supplemental Consent Calendar No. 2 for June 29, 2002:

Senate Joint Resolution No. 893 -- Memorials, Retirement - Ralph A. Brewer. by *Haynes.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Davidson, the roll call was dispensed with.

SUPPLEMENTAL CONSENT CALENDAR NO. 2

House Joint Resolution No. 1192 -- Memorials, Recognition - Glenn and Marilyn Gardner. by *Bone.

Senate Joint Resolution No. 893 -- Memorials, Retirement - Ralph A. Brewer. by *Haynes.

Pursuant to **Rule No. 50**, Rep. Miller moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Supplemental Consent Calendar No. 2 be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Supplemental Consent Calendar No. 2 be concurred in, which motion prevailed by the following vote:

Ayes	95
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 95.

A motion to reconsider was tabled.

SUPPLEMENTAL REGULAR CALENDAR NO. 2, CONTINUED

House Bill No. 2569 -- Taxes, Sales - Requires affirmative vote of three-fifths of members of senate and house to increase rate of sales tax. Amends TCA Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71 relative to taxation. by *Buck, *McDonald, *Sargent, *Davidson, *Bunch, *Hagood, *Tidwell, *Bittle, *Hargett, *Stanley, *Fraley, *Pleasant, *Sharp, *Baird, *Garrett, *Jones, S., *Odom, *Wood, *Hood, *Shepard, *Black, *Newton, *Turner (Davidson), *Pinion, *Montgomery, *Winningham, *Patton, *Clem. (*SB2829 by *Jackson)

Further consideration of House Bill No. 2569 previously considered on today's Supplemental Regular Calendar No. 2.

Rep. Odom moved that House Bill No. 2569 be reset for the Regular Calendar on June 30, 2002, which motion prevailed.

SUPPLEMENTAL MESSAGE CALENDAR NO. 4

HOUSE ACTION ON SENATE MESSAGE

***Senate Bill No. 1303** -- Motor Vehicles, Titling and Registration - Authorizes issuance of I Love TDOT cultural license plates. Amends TCA Title 54 and Title 55. by *Haun, *Herron, *Cohen. (HB1893 by *Head, *Patton, *Langster, *McDaniel, *Brown)

Rep. Head moved that the House refuse to recede from its action in adopting Amendment(s) No(s). 2, 3 and 4 to **Senate Bill No. 1303**, which motion prevailed.

HOUSE ACTION ON SENATE MESSAGE

***House Bill No. 3159** -- Education, Dept. of - Revises procedure in regard to placing and reviewing schools on probation. Amends TCA, Title 49. by *Montgomery. (SB3086 by *Atchley)

**CONFERENCE COMMITTEE REPORT
ON HOUSE BILL NO. 3159**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3159 (Senate Bill No. 3086) has met and recommends that the following amendments be deleted: House Amendment No. 1 and Senate Amendments No. 1 and No. 2.

The Committee further recommends that the following amendment also be adopted by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 49-1-602, is amended by deleting subsection (a) in its entirety, and by substituting instead a new subsection (a):

(a) By September 1 of each year, the commissioner of education shall recommend for approval to the state board a listing of all schools to be placed on notice or probation for failure to make adequate progress in meeting the rules, regulations and performance standards of the state board. If a school system is deemed by the commissioner as not carrying out its responsibilities to a school or schools on notice or probation for technical or other assistance that may ensure that a school meet or exceed the performance standards, or the standards set forth in Section 49-1-210, the system may be included in the recommendation to the state board to be placed on notice or probation. Schools or school systems on notice or probation shall abide by guidelines established by the commissioner for the purpose of improving student performance.

SECTION 2. Tennessee Code Annotated, Section 49-1-602, is further amended by deleting subsection (b) in its entirety, and by substituting instead a new subsection (b):

(b) Such status shall not impair the credits earned by students in that school system or school.

SECTION 3. Tennessee Code Annotated, Section 49-1-602, is further amended by deleting subsection (c) in its entirety, and by substituting instead a new subsection (c):

(c)(1) During the year on notice, the department of education and the office of education accountability established in Section 4-3-308 will jointly study any school and/or school system placed on notice. The study will include findings on how the school and/or school system can meet the performance standards for adequate yearly progress. The commissioner of education shall have the authority to:

(A) Approve the allocation of state discretionary grants to the school and or school system; and/or

(B) Provide technical assistance to the school and/ or school system through an outside expert.

(2) The director of each local education agency serving schools placed on notice shall have responsibility for the following actions:

(A) Prompt notification to parents of students of such identification; and

(B) Revision of school improvement plans.

SECTION 4. Tennessee Code Annotated, Section 49-1-602, is further amended by deleting the subsection (d) in its entirety, and by substituting instead a new subsection (d):

(d) If a system or school does not meet the standards for adequate yearly progress by the end of the first year on notice, the system or school may be placed on probation.

(1) During the first year a system or school is on probation, the commissioner of education shall have the authority to:

(A) Approve a school system's allocation of financial resources to a system or school on probation; and

(B) Appoint a local community review committee to approve and monitor the school improvement plan.

(2) The director of each local education agency serving schools placed on probation shall have responsibility for the following actions:

(A) Prompt notification to parents of students of such identification;

(B) Implementation of performance contracts for the principal;

(C) Provision for remediation services for students;

(D) Notification to parents of their option to transfer their children to another public school within the system; and

(E) Revision of school improvement plans to incorporate joint study findings.

SECTION 5. Tennessee Code Annotated, Section 49-1-602, is further amended by adding a new section (e).

(e) If a school or school system does not meet the standards by the end of the first year on probation, the system or school may be placed on probation for a second year.

(1) During the second year on probation, the commissioner of education shall have the authority to:

(A) Approve a school or system's allocation of financial resources to schools on probation;

(B) Approve a school or system's allocation of personnel resources to the schools placed on probation; and

(C) Present options for a school or system to plan for alternative governance which may include:

(i) contracting with an institution of higher education for operation of the school;

(ii) removing the school from the jurisdiction of the school system and placing the school under the jurisdiction of the department of education; or

(iii) restructuring the school as a public charter school should the general assembly enact separate legislation outside the parameters of this act that authorizes the establishment of public charter schools.

(2) The director of each local education agency serving schools placed on probation shall have the responsibility for the following actions:

(A) Prompt notification to parents of students of such identification;

(B) Implementation of performance contracts for the principal;

(C) Provision for remediation services for students;

(D) Notification to parents of their option to transfer their children to another public school within the system; and

(E) Preparation of a plan for alternative governance from the options provided by the commissioner of education.

SECTION 6. Tennessee Code Annotated, Section 49-1-602, is further amended by adding a new section (f).

(f) If after two (2) consecutive years on probation, a school or system does not make progress to meet the standards for adequate yearly progress, the commissioner of education shall have the authority to:

(1) Assume any or all powers of governance for the school or system, provided, however that in the case where the commissioner assumes governance of a school or system the LEA will continue to be accountable for the match required by the BEP funding formula for students served; and/or

(2) Recommend to the state board that the director of the local education agency be replaced; and/or

(3) Recommend to the state board that some or all of the local board of education members be replaced.

(4) If the state board concurs with the recommendation, the commissioner shall order the removal of some or all of the board members and/or director of schools and shall declare a vacancy in the office or offices. Vacancies on the board shall be filled by the local legislative body until the next general election for which candidates have time, under law, to qualify and the candidate so elected qualifies to hold the office as provided by law or for the remainder of the term if no such election occurs during the remainder of the term. If the entire board of a special school district is removed, the commissioner shall appoint three (3) responsible citizens of the district to serve on the board, and they shall be authorized to appoint persons to fill the remaining vacancies. Any person selected to fill a vacancy shall serve the remainder of the term. Vacancies in the office of director of schools are filled in accordance with the provisions of law. Any director of schools or board member removed under this section is ineligible for appointment or election to such office for the remainder of such person's term and for one (1) full term thereafter.

SECTION 7. Tennessee Code Annotated, Section 49-1-602, is further amended by adding a new section (g).

(g)(1) An appeal of the decision to remove a director or board member shall be to chancery court of Davidson County.

(2) The chancellor's review shall be confined to whether or not the decision was made in accordance with the procedures authorized by this section.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.

/s/	Senator Ben Atchley	Representative Richard Montgomery
	Senator Randy McNally	Representative Les Winningham
	Senator Larry Trail	Representative Larry Scroggs
	Senator Roscoe Dixon	Representative David Shepard
	Senator Charlotte Burks	Representative Bobby Sands

Rep. Montgomery moved that the Report of the Conference Committee on **House Bill No. 3159** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes	92
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Johnson, Jones S, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 92.

A motion to reconsider was tabled.

SUPPLEMENTAL MESSAGE CALENDAR NO. 5

HOUSE ACTION ON SENATE MESSAGE

House Bill No. 2476 -- Child Custody and Support - Defines joint physical and legal custody; requires showing of direct physical harm or significant emotional harm to child or parent to rebut presumption joint custody in best interest of child. Amends TCA Title 36, Chapter 6, Part 1. by *Patton, *Fraley, *Odom, *DeBerry J, *Bowers, *West, *Kernell, *Bunch. (*SB2427 by *Haun, *Henry)

CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 2476

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 2476 (Senate Bill No. 2427) has met and recommends that the following amendments be deleted: House Amendment No. 2 and Senate Amendment No. 1

The Committee further recommends that the following amendment be adopted:

by deleting all language after the enacting clause and substituting therefore the following:

SECTION 1. Tennessee Code Annotated, Section 36-6-101(a)(2), is amended by designating the existing language as item (A) and adding the following paragraphs to the end of subdivision (2) as a new item (B):

(B) If the issue before the court is a modification of the court's prior decree pertaining to custody or a residential parenting arrangement, the petitioner must prove by a preponderance of the evidence a material change in circumstance. A material change of circumstance does not require a showing of a substantial risk of harm to the child. A material change of circumstance may include, but is not limited to, failures to adhere to the parenting plan or circumstances which make the parenting plan no longer in the best interest of the child.

In each contested case, the court shall make such a finding as to the reason and the facts that constitute the basis for the custody determination.

Nothing contained within the provisions of this subdivision shall interfere with the requirement that parties to an action for legal separation, annulment, absolute divorce or separate maintenance incorporate a parenting plan into the final decree or decree modifying an existing custody order.

Nothing in this subsection shall imply a mandatory modification to the child support order.

SECTION 2. This act shall take effect upon becoming the law, the public welfare requiring it.

/s/ Senator Tommy Haun	Representative Bob Patton
Senator Doug Jackson	Representative Mark Maddox
Senator David Fowler	Representative Kathryn Bowers
Senator Roscoe Dixon	Representative Dewayne Bunch
Senator Doug Henry	Representative John DeBerry

Rep. Patton moved that the Report of the Conference Committee on **House Bill No. 2476** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes	95
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Casada, Chumney, Clem, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry J, DeBerry L, Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Johnson, Jones S, Jones U, Kent, Kernell, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Turner (Davidson), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeah -- 95.

A motion to reconsider was tabled.

MESSAGE FROM THE SENATE
June 29, 2002

MR. SPEAKER: I am directed to transmit to the House, Senate Bill(s) No(s). 3256; passed by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

Senate Bill No. 3256 -- Appropriations - Enacts "Essential Government Services Act of 2002.". by *Clabough. (*HB3301 by *Kisber, *McDaniel, *Boyer, *Davidson, *Rinks)

RECOGNITION IN THE WELL

Rep. Kisber was recognized in the Well to introduce Governor Don Sundquist, for remarks.

REMARKS BY GOVERNOR SUNDQUIST

Mr. Speaker, I appreciate the opportunity to address the House of Representatives this evening. I've been privileged to be here on many occasions, but none more serious than tonight.

We stand 26 hours away from an unprecedented shut-down of government services in the State of Tennessee. Certainly, we are treading on unchartered territory this evening. As I come to you this evening, I do so not to scare anyone or in an attempt to gain votes for any particular revenue measure, I come to ask for your help in living up to our collective responsibility to protect the health and welfare of the people of our great state.

These crucial hours aren't about Republicans or Democrats, the House or the Senate, and it's not about politics. This is not about trickery or deception. It's about ensuring the minimal basic health, safety and security of Tennesseans. Clearly, we need to put this safety net into place so tomorrow we can focus on passing a budget and a revenue measure. We can't run the risk of inaction, which threatens our citizens' well being.

State government's number one responsibility is the safety of our citizens. If we do not pass this legislation to ensure a safety net, we run the risk of prisons without prison guards, children in state custody without care, mentally ill patients unattended, communities and highways without protective services and emergency management services to name just a few.

Last Wednesday, after consultation with the Attorney General's Office, I reluctantly asked the General Assembly to pass on two readings the appropriation bill that is now before you. I did so to ensure we had an appropriate safety net in place and available to be acted upon if needed.

I was optimistic that the final passage of this bill would not be needed. I am still hopeful that we can, together, reach a consensus on a 12-month appropriations bill that will fund state government services adequately. Time is running out. I urge you to pass this legislation this evening, and I will hold it on my desk until the last possible moment tomorrow, which will allow us one last day to focus all of our energies on passing a long term budget that funds the services our citizens deserve and expect. I respect the opinions of those who don't agree with one another on various revenue and budget options. That is not what tonight is about.

My intent tonight is to ask you to pass this safety measure sooner than later. We cannot waste time deliberating this basic and vital measure. It only makes sense to pass it and get on with the more difficult work that needs to be done tomorrow.

I respect the debate of different view points. If we're going to be successful in passing something meaningful tomorrow, then we need to take the first step tonight in re-establishing trust between those of differing views. I would ask you to do what the Senate did just a few minutes ago by overwhelmingly passing this legislation.

RECOGNITION IN THE WELL

Rep. Kisber was recognized in the Well to introduce Attorney General Paul Summers, for remarks.

SUPPLEMENTAL REGULAR CALENDAR NO. 3

***House Bill No. 3301** -- Appropriations - Enacts "Essential Government Services Act of 2002". by *Kisber, *McDaniel, *Boyer, *Davidson, *Rinks. (SB3256 by *Clabough)

On motion, House Bill No. 3301 was made to conform with **Senate Bill No. 3256**; the Senate Bill was substituted for the House Bill.

Rep. Kisber moved that Senate Bill No. 3256 be passed on third and final consideration.

Rep. Head requested that Finance, Ways and Means Committee Amendment No. 1 be placed at the heel of the Amendments.

Rep. Kisber moved adoption of Amendment No. 2 as follows:

Amendment No. 2

AMEND Senate Bill No. 3256 by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. This act is, and may be cited as, the "Essential Government Services Act of 2002".

SECTION 2.

(a) There is appropriated a sum sufficient to:

(1) Fulfill any constitutional obligation of the state to expend funds for a particular purpose;

(2) Fulfill the provisions of Article I, Section 35, relative to the rights of victims of crimes;

(3) Fulfill any debt service obligation of the state, its agencies, authorities or instrumentalities;

(4) Fulfill the terms of any contractual obligation entered into prior to July 1, 2002, if the performance of such contract is necessary to perform an essential function of state government funded pursuant to the provisions of this act; it is the legislative intent not to fund any contracts the performance of which is not necessary to perform an essential function of the state funded pursuant to the provisions of this act;

(5) Fulfill obligations of the state to conduct elections and proclaim the results of such elections;

(6) Fulfill the terms of any court order or any lawful settlement agreement or consent decree approved by the court having jurisdiction of the action in which the state is a party and has agreed to expend funds as a part of the court order, settlement agreement, or consent decree.

(7) Operate the state parks.

(b) There is appropriated:

(1) All institutional revenues of any kind collected by the institutions of higher education in the course of their operations for their own use;

(2) All federal funds made available to the various branches of government to the departments, agencies and entities receiving such funds; provided, however, that such federal funds shall not be expended or obligated unless such funds must be expended or obligated to perform an essential function of the state pursuant to the provisions this act;

(3) All child support payments to the department of human services;

(4) All federal funds and premiums received pursuant to title 50, chapter 7 to the department of labor and workforce development; and

(5) All funds necessary to perform the operations of the Department of Financial Institutions.

(c) Any other extraordinary payments made to the state shall be placed in a reserve in the state general fund until appropriated by the general assembly.

(d) In enacting this section, it is the intent of the general assembly to grant provisional authority to meet state obligations.

SECTION 3. There is appropriated a sum sufficient to fund the following essential functions of the state from and after July 1, 2002:

(a) The department of correction to provide for the custody, well-being and safety of persons committed to it and the safety, health and well-being of the citizens of the state.

(b) The department of children's services to provide for the custody, well-being and safety of persons committed to it, the safety, health and well-being of the citizens of the state and to investigate allegations of child abuse and neglect and take appropriate actions to provide for the welfare of abused or neglected children.

(c) The department of finance and administration to provide :

(1) For the well-being and safety of persons receiving care in the mental retardation programs and state custody;

(2) For the operation and payment of obligations of the TennCare Program;

(3) For the operation of hospitals or nursing facilities owned or managed by the state or its agencies;

(4) For such functions as are necessary to account for state funds;

(5) For the payment of obligations accrued to state employees prior to July 1, 2002;

(6) For the payment of expenditures made pursuant to the provisions of this act;

(7) For payment of compensation of employees necessary to implement the provisions of this act;

(8) For payment of expenses to draw down federal funds, to continue programs funded in whole or in part with federal funds, to comply with federal law or the terms of any grant and to avoid any loss of eligibility for or withholding of federal funds;

(9) For payment of expenses of securing and maintaining real and personal property owned or managed by the state;

(10) For payment of expenses for the continuation of health and life insurance for state employees, higher education employees, teachers, and covered local employees, and to such end, the state may advance payments of premiums on the behalf of employees and be reimbursed for such payments after adoption of the general appropriations act for the fiscal year beginning July 1, 2002;

(11) For payment of law enforcement functions of the state;

(12) For payment of expenses for operation of programs to deliver child support payments;

(13) For payment of expenses of guardians provided by the state;

(14) For payment of expenses of regulatory actions to protect the health, safety and welfare of the citizens of this state;

(15) For payment of the cost of utilities necessary to maintain property owned or managed by the state;

(16) For payment of expenses to care for animals owned or in state custody;

(17) For the continuation of existing research projects to the extent necessary to prevent unreasonable waste or destruction;

(18) For payment of expenses of the national guard, the Tennessee Emergency Management Agency and other state entities if the governor determines that their services are necessary to protect the health, safety and welfare of the citizens of this state or to respond to fires, other natural disasters or terrorist acts;

(19) For operation and maintenance of mail delivery and computer systems necessary to implement the provisions of this act.

(d) The judicial department, the attorney general and reporter, the district attorneys general, and the public defenders to the extent judges, officials and staff are necessary to maintain the constitutionally and statutorily required functions of such offices and the judicial system in order to protect the health, safety and welfare of the citizens of this state.

(e) The department of mental health and developmental disabilities to provide for the custody, well-being and safety of persons committed to it.

(f) The department of human services to the extent its commissioner deems necessary to provide family assistance services, including the families first and food stamp programs.

(g) The department of revenue to collect and deposit taxes and fees paid to the state.

(h) The board of probation and parole to provide for the custody, well-being and safety of persons committed to it and the safety, health and well-being of the citizens of the state.

(i) The State Treasurer to process and pay the obligations of the state of Tennessee, including workers' compensation benefits, to invest and manage funds pursuant to law, to pay the lawful claims against the state incurred pursuant to the provisions of this act, to process and pay benefits to retired employees from reserves and accounts earmarked for such purposes and to fulfill constitutionally mandated functions.

(j) The Comptroller of the Treasury to pay or cause to be paid timely principal and interest on obligations of the state and any agency, authority, and instrumentality thereof including the Tennessee Housing Development Agency, and to fulfill or comply with any legal requirements relating thereto.

(k) The department of labor and workforce development to pay unemployment benefits;

(l) The Secretary of State to perform constitutionally mandated functions.

(m) The general assembly to enable it to perform its legislative responsibilities.

(n) The Tennessee Housing Development Agency to the extent its executive director deems necessary to provide rental assistance services through the Section 8 program and to execute the mortgage revenue bond program.

(o) Such other emergency or essential functions of the state necessary to protect the health, safety and welfare of the citizens of this state, as the governor may from time to time determine, such determination to be reported promptly to the speaker of each house of the general assembly.

SECTION 4. The provisions of Tennessee Code Annotated, Section 9-8-307, and Tennessee Code Annotated, Title 8, Chapter 42 shall be fully applicable with regard to any person who was a state employee as defined in Tennessee Code Annotated, Section 8-42-101(3), as of June 30, 2002, and continues to perform the duties of his or her job as a state employee thereafter, regardless of whether or not such employee is receiving compensation pursuant to the provisions of this act. Any person who was a state employee as of June 30, 2002 shall be construed to be a state employee for purposes of being covered by health and life insurance and workers' compensation, regardless of whether or not such employee is receiving compensation pursuant to the provisions of this act. The provisions of this section shall not apply to employees who retire effective June 30, 2002.

SECTION 5. Notwithstanding any provision of law to the contrary, any statutory duty which is required to be performed by the state or its instrumentalities is suspended unless funded pursuant to the provisions of this act. Such suspension shall remain in effect until an appropriations act to fund state government for fiscal year 2002-2003 becomes law.

SECTION 6. (a) Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state revenues and departmental revenues made pursuant to the provisions of this act and in prior acts to the state, its departments, agencies, boards, educational institutions, instrumentalities, and incorporated entities performing the state's governmental functions shall be state funds and shall be protected by the state's sovereign immunity from every court's judgment, decree, attachment, or other legal process; provided, however, that any statutory or other provision authorizing an agency, board, or entity to sue and be sued shall not constitute a waiver of sovereign immunity.

(b) Except where sovereign immunity has been or shall hereafter be expressly waived by the General Assembly, all appropriations of state funds and institutional revenues made in this act and prior acts to institutions of higher education shall be state funds and shall be protected by the state's sovereign immunity from any court's judgment, decree, attachment, or other legal process, provided that any statutory or other provision authorizing any entity to sue and be sued shall not constitute a waiver of sovereign immunity.

SECTION 7. The commissioner of finance and administration shall notify the state treasurer of any expenditures made pursuant to the provisions of this act and that such expenditures comply with the act's provisions.

SECTION 8. If any provisions of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the provisions of this act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. It is the legislative intent to fulfill the essential function and constitutional responsibility of state government to orderly close fiscal year 2001-2002. Under the provisions of Senate Bill 3135 / House Bill 3116 the commissioner of finance and administration is authorized to deny carryforwards for, and to transfer funds from, the following enumerated funds, reserve accounts or programs to the state general fund for the sole purpose of meeting the requirements of funding the operations of state government for the fiscal year ending June 30, 2002, according to the following schedule:

(1) From the department of transportation funds in the highway fund, or other funds, the sum of \$30,000,000; shall be transferred.

(2) The actual reserve balances at June 30, 2002 shall be transferred to the general fund from the Tennessee Housing Development Authority assets fund, criminal injuries compensation fund, temporary assistance for needy families (Families First) program, local parks land acquisition fund, state lands acquisition fund, agricultural resources conservation fund, department of safety driver education fund, and wetlands acquisition fund.

(3) From the other funds, reserve accounts and programs enumerated in Senate Bill 3135 / House 3116 the amount transferred to the general fund shall be equivalent to thirty percent (30%) of the remaining need to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2002.

SECTION 10. To the extent that carryforwards in reserve accounts and programs are denied for certain funds enumerated in Senate Bill 3135 / House Bill 3116 and are transferred to the general fund for the purpose of meeting the requirements of funding state government operations for the fiscal year ending June 30, 2002, it is the legislative intent that such funds be restored to those reserve accounts and programs in the fiscal year ending June 30, 2003, and that transfers from the general fund be made for that purpose in proportion to the relative carryforward amounts denied and transferred to the general fund at June 30, 2002, subject to the following conditions at June 30, 2003:

(1) The commissioner of finance and administration shall present a schedule identifying restoration amounts by reserve account or program to the comptroller of the treasury for comment and shall transmit the schedule to the senate and house finance, ways and means committees, along with the comptroller's written comments;

(2) The commissioner of finance and administration determines that normal operations of each program affected will be impaired in the future if such funds are not restored at June 30, 2003;

(3) Other requirements of general fund closing at June 30, 2003, pursuant to the 2002 and the 2003 appropriations acts and other law are satisfied;

(4) The reserve for revenue fluctuation at June 30, 2003, is established in an amount not less than \$178,000,000 or the amount specified in the 2003 general appropriations act, whichever is greater;

(5) The overappropriation recognized in the 2003 appropriations act for the fiscal years ending June 30, 2003, and June 30, 2004, is not greater than \$80,000,000 in each year;

(6) The 2003 appropriations act authorizes or directs the commissioner of finance and administration to make such transfers from the general fund to certain reserve accounts or programs at June 30, 2003;

(7) The cumulative amounts restored to each reserve account or program in future years shall not exceed the amount transferred to the general fund from each reserve account or program at June 30, 2002.

SECTION 11. The unexpended appropriations made to the Department of Economic and Community Development (ECD) for the purpose of making grants and loans to local governments and businesses for job creation and/or retention are subject to reversion to the general fund balance at June 30, 2002. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward any unexpended balance or transfer any part of the unexpended balance to the Revenue Fluctuation Reserve at June 30, 2002. The Commissioner shall report to the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives the disposition of the unexpended appropriations.

SECTION 12. From the appropriations made in Chapter 435, Public Acts of 2001, the Commissioner of Finance and Administration is authorized to make transfers from the appropriations made:

Item 1. To the District Attorneys General in Section 1, Title III-1-2.

Item 2. To the Department of Finance and Administration in Section 1, Title III-2-3, and to adjust federal aid and other departmental revenue accordingly.

Item 3. To the Department of Agriculture in Section 1, Title III-3, and to adjust federal aid and other departmental revenue accordingly.

Item 4. To the Department of Environment and Conservation in Section 1, Title III-5, and to adjust federal aid and other departmental revenue accordingly.

Item 5. To the Department of Economic and Community Development in Section 1, Title III-8.

Item 6. To the Department of Education in Section 1, Title III-9, and to adjust federal aid and other departmental revenue accordingly.

Item 7. To the Department of Safety in Section 1, Title III-20, and to adjust federal aid and other departmental revenue accordingly.

SECTION 13. Subject to the availability of funding at June 30, 2002, any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, other acts of this General Assembly or acts by previous General Assemblies, listed in this section are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration. Unless otherwise noted, the unexpended balances reappropriated are authorized under Chapter 435, Public Acts of 2001, and they are the appropriations made:

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Item 1. For data processing services, systems development, data processing equipment purchases and leases and telephone systems purchases and leases. The Commissioner of Finance and Administration is authorized to transfer from the amounts carried forward sums sufficient for the computer equipment replacement fund and to the systems development fund.

Item 2. Notwithstanding any provision of law to the contrary, all funds appropriated to the Legislative Branch which remain unobligated and unexpended at the end of any fiscal year, shall not revert to the general fund but shall be carried forward in a reserve to be expended in accordance with the approval of the Speaker of the House of Representatives and the Speaker of the Senate. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 3. To the Judicial Branch in Section 1, Title II, but excluding the appropriations for Indigent Defendants' Counsel, Civil Legal Representation, and Verbatim Transcripts. If the fees collected by the Board of Law Examiners are less than the appropriation(s) to the Board, the carry forward amount shall be the difference between fees collected and expenditures. The reappropriated funds shall be expended for the study and implementation of an integrated computer system for the Tennessee court system under the provisions of Chapter 1005, Public Acts of 1994. This item shall not be subject to the approval of the Commissioner of Finance and Administration.

Item 4. To the Secretary of State for publication of the Blue Book under Section 36, Item 4.

Item 5. To the Department of State, Regional Libraries, in Section 36, Item 5.

Item 6. To the Department of Finance and Administration in Section 36, Item 6 to fund the Safe Neighborhoods Act of 1998.

Item 7. To the Department of Personnel in Section 36, Item 7 for a classification-compensation study.

Item 8. To the Department of Agriculture the unexpended balance of revenues from timber salvage sales at state forests and state parks.

Item 9. To the Department of Environment and Conservation, Land Reclamation, in Section 1, Title III-5, Item 18.

Item 10. To the Tennessee Historical Commission in Section 1, Title III-5, for the Tennessee Wars Commission.

Item 11. To the Tennessee Historical Commission the unexpended funds from any prior appropriations for publications, historical markers and other historical activities.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Item 12. To the Department of Education for the Basic Education Program and withheld from local education agencies in the fiscal year ending June 30, 2002, for non-compliance with the Education Improvement Act.

Item 13. To the Department of Education for the purpose of implementing Chapter No. 554 of the Public Acts of 2000, regarding the coordinated school health program.

Item 14. All funds received by the Department of Education in support of the Tennessee Education Technology Conference and which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 15. All funds from private foundations received by the Department of Education in support of the Marco Polo initiative and which remain unobligated and unexpended at the end of any fiscal year shall not revert to the education fund but shall be carried forward in a reserve to be expended for the purposes of such program.

Item 16. All funds appropriated to the Department of Education for the purposes of the state testing programs which remain unobligated and unexpended at the end of any fiscal year shall not revert to the general fund but shall be carried forward in a reserve to be expended for the purposes of such programs.

Item 17. To the Tennessee Higher Education Commission in Section 1, Title III-10 for desegregation activities and community service grant funds.

Item 18. To the Department of Commerce and Insurance in Section 36, Item 15. The funds carried forward shall be used to equip the new Fire and Codes Academy.

Item 19. To the Department of Mental Health and Developmental Disabilities in Section 1, Title III-14 for housing initiatives for the seriously and persistently mentally ill.

Item 20. To the Department of Safety in Section 1, Title III-20, for the production of license plates for the year 2000 license plate.

Item 21. For services to children for whose education the state is directly responsible and the funds were paid to the Department of Children's Services under the provisions of Tennessee Code Annotated, Section 49-3-363.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Item 22. To the Department of Children's Services in Section 1, Title III-22. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward funds to provide for office relocation costs and the loss of federal SSBG funds in the fiscal year 2002-2003.

Item 23. To the Department of Children's Services in Section 1, Title III-22, Item 4, Adoption Services, for any grant agreement/contract approved by the Commissioner of Finance and Administration for the purpose of adoption placement and finalization for youth with special needs.

Item 24. To the Department of Transportation in Section 1, Title III-28, Item 2, for equipment purchases.

Item 25. To the Department of Transportation for any appropriations which are reserved at June 30, 2002.

SECTION 14. Subject to the availability of revenue at June 30, 2002, any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, other acts of this General Assembly or acts by previous General Assemblies for benefit of an agency of local government or a third-party nonprofit organization for which there is a grant agreement/contract approved by the Commissioner of Finance and Administration are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002. The Commissioner of Finance and Administration shall provide a list of any unexpended balances carried forward to the Director of Accounts and to the Division of State Audit. The reappropriation and carry forward of these funds is subject to approval by the Commissioner of Finance and Administration.

SECTION 15. There is hereby appropriated the following amounts which shall be in addition to the appropriations provided under Chapter 435, Public Acts of 2001:

Department of General Services		
1.	Division of Printing	\$200,000.00
2.	Division of Property Utilization – Surplus Property	\$300,000.00
	Total General Services	\$500,000.00
Department of Environment and Conservation		
1.	State Parks	\$1,240,000.00
Department of Education		
1.	Comprehensive School Health Program	\$602,600.00

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Department of Finance and Administration – Mental Retardation		
1.	Middle Tennessee Region	\$643,500.00
2.	East Tennessee Region	\$236,500.00
Total Finance and Administration – Mental Retardation		\$880,000.00
Miscellaneous Appropriations		
1.	State Employees Group Health Insurance	\$23,800,000.00
2.	Retired Teachers Insurance	\$1,800,000.00
3.	State Agencies Rent	\$1,403,200.00
Total Miscellaneous Appropriations		\$27,003,200.00
TOTAL		\$30,225,800.00

The Commissioner of Finance and Administration is authorized to allot and transfer these appropriations to the appropriate expenditure account within each department, agency or branch of government and to adjust authorized positions accordingly. The Commissioner of Finance and Administration is further authorized to adjust federal aid and departmental revenues accordingly.

SECTION 16. In addition to the appropriation made in Section 1, Title III-28, Item 3 for Highway Maintenance, and Item 5.5 for State Highway Construction in Chapter 435, Public Acts of 2001, there is further appropriated such amount as the Commissioner of Finance and Administration shall determine is available from tax revenues allocated to the highway fund and from the highway fund balance.

SECTION 17. In the fiscal year ending June 30, 2002 the carry forward and reappropriation of unexpended appropriations for major maintenance, authorized in Section 2, Item 1 of Chapter 435, Public Acts of 2001, shall be subject to approval by the Commissioner of Finance and Administration based upon the availability of revenues and reserves in the general fund at June 30, 2002.

SECTION 18. The unexpended balance of the appropriation made in Section 1, Title III-21, Item 2 of Chapter 435, Public Acts of 2001, is hereby reappropriated to provide for back-pay awards to state employees.

SECTION 19. From the handgun carry permit fees paid under the provisions of Tennessee Code Annotated, Section 39-17-1351 and the provisions of Chapter 476, Public Acts of 1997, any unexpended permit fees at June 30, 2002, are hereby reappropriated to be expended in the 2002-2003 fiscal year and shall be carried forward in a reserve into the fiscal year beginning July 1, 2002.

SECTION 20. From the privilege tax on litigation apportioned for fingerprint imaging systems grants under the provisions of Tennessee Code Annotated, Section 67-4-602, any unexpended funds so apportioned shall not revert to the general fund at June 30, 2002, but shall be carried forward in a reserve to be expended for such grants in the succeeding fiscal years. Such funds are hereby reappropriated for that purpose.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

SECTION 21. In the fiscal years ending June 30, 2002 and June 30, 2003 there are hereby appropriated sums sufficient to the Office of the Post-Conviction Defender to offset any undercollection of departmental revenues appropriated in Section 4, Title III-1, Item 6 of this act. This appropriation shall be non-recurring.

SECTION 22. In the fiscal years ending June 30, 2002 and June 30, 2003 there are hereby appropriated sums sufficient to the Department of General Services, Property Utilization from revenues and reserves available to the division.

SECTION 23. The appropriation made in Section 12, Item 1062 of the 1998 Appropriations Act to the Tennessee Technological University Agricultural Foundation is hereby reappropriated to the Foundation to acquire equipment and to enhance the Hyder Burkes Agricultural Pavilion.

SECTION 24. Item 1. It is the legislative intent to recognize a base over-appropriation in the general fund of \$100,750,000 in 2001-2002 and \$80,000,000 in 2002-2003.

Item 2. In the fiscal year ending June 30, 2002, there shall be reserved or designated a sum in the general fund balance to provide for non-recurring appropriations and other appropriations intended to be funded in the 2002-2003 fiscal year from the general fund balance at June 30, 2002. The Commissioner of Finance and Administration shall determine the amount to be reserved or designated.

Item 3. Under the provisions of Tennessee Code Annotated, Section 55-6-107(a), the sum of \$2,900,000 shall be allocated to the general fund for the cost of issuing motor vehicle registration plates in the fiscal year ending June 30, 2003.

Item 4. Unexpended appropriations in an amount not to exceed \$45,000,000 shall be transferred from the debt service fund to the general fund in the fiscal year ending June 30, 2002.

Item 5. In the fiscal year ending June 30, 2002, tax revenues allocated to the debt service fund, including motor vehicle title fees, in excess of \$236,000,000 shall be transferred to the general fund. If said allocation to the debt service fund is less than \$236,000,000, then the allocation of excise tax revenues to the debt service fund shall be increased in an amount to provide the allocation of \$236,000,000 to the debt service fund.

Item 6. In the fiscal year ending June 30, 2002, the allocation of motor vehicle title fees to the debt service fund shall be the lesser of \$2,700,000 or the sum generated by the \$1.50 fee under the provisions of Tennessee Code Annotated, Section 55-6-101(a)(1).

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Item 7. From the appropriations made in Section 1, Title III-10 of the 2001 Appropriations Act to the University of Tennessee and to the Tennessee Board of Regents the sum of \$9,700,000 shall revert to the general fund balance at June 30, 2002. From the other appropriations made to higher education, excluding Tennessee Student Assistance Awards, the sum of \$1,500,000 shall revert to the general fund balance at June 30, 2002.

Item 8. The provisions of Section 29, Item 16 of the 2001 Appropriations Act (Public Chapter 435) are hereby repealed. It is the legislative intent that the unexpended balance of the appropriation made for Tennessee Student Assistance Awards revert to the general fund balance at June 30, 2002.

Item 9. From the appropriation made in Section 1, Title III-2 of the 2001 Appropriations Act to the Department of General Services, Motor Vehicle Management, the sum of \$2,750,000 shall revert to the general fund balance at June 30, 2002.

Item 10. In the fiscal year ending June 30, 2002, it is the legislative intent that the sum to be credited to the Health Access Incentive Account under the provisions of Tennessee Code Annotated, Section 66-29-121 be reduced from \$2,000,000 to a sum sufficient to provide for expenditures and liabilities less the sum of \$761,850.56. It is the legislative intent that the reserve balance in the Health Access Incentive Account at June 30, 2001 be used to fund the program in the fiscal year ending June 30, 2002.

SECTION 25. Subject to the availability of funding at June 30, 2002, the Commissioner of Finance and Administration is authorized to carry forward into the fiscal year beginning July 1, 2002 any unexpended balances of appropriations made under Chapter 435, Public Acts of 2001, for TennCare and such funds as are carried forward are hereby reappropriated to be expended in the 2002-2003 fiscal year.

SECTION 26.

Item 1. The unexpended balance of the capital outlay appropriation made to Austin Peay State University for tornado damage in the 1999 Appropriations Act, Section 55, Item 3, shall be transferred to the general fund in the fiscal year ending June 30, 2002.

Item 2. In addition to the appropriation made in the 2001 Appropriation Act, Section 1, Title 11 for Indigent Defendants' Counsel, there is hereby appropriated a sum not to exceed \$2,000,000 in the fiscal year ending June 30, 2002.

Item 3. Any unexpended balances of the appropriations made in Chapter 587, Public Acts of 2002, for homeland security purposes are hereby reappropriated to be expended in the 2002-2003 fiscal year and such appropriations shall be carried forward in a reserve into the fiscal year beginning July 1, 2002.

Item 4. From the appropriations made in the 2001 Appropriations Act that were reallocated for one-time costs associated with homeland security purposes in the departments of Agriculture, Safety, and Commerce and Insurance, the Commissioner of Finance and Administration is authorized to carry forward in a reserve into the fiscal year beginning July 1, 2002 appropriation amounts not to exceed:

Agriculture	\$155,000
Safety	\$600,000
Commerce and Insurance	\$ 49,000

Item 5. From the appropriations made for Disaster Relief Grants in the 2001 Appropriations Act, Section 1, Title III-21, Item 7 and in this act in Section 1, Title III-21, Item 7, the Commissioner of Finance and Administration is authorized to allocate funds to provide for National Guard costs associated with homeland security purposes.

SECTION 27. The reserve for federal contingent liability in the general fund shall be reduced from \$100,000,000 to \$50,000,000 to meet the requirements of funding the operations of state government for the fiscal year ending June 30, 2002.

SECTION 28. The provisions of Sections 1-8 of this act shall take effect on July 1, 2002, the public welfare requiring it. The provisions of Sections 2-7 shall be repealed on July 6, 2002, the public welfare requiring it. The provisions of Sections 9-28 of this act shall take effect upon becoming a law, the public welfare requiring it.

Rep. McCord moved the previous question on Amendment No. 2, which motion prevailed.

On motion, Amendment No. 2 was adopted.

On motion, Rep. Kisber withdrew Finance, Ways and Means Committee Amendment No. 1.

Rep. McCord moved the previous question, which motion prevailed.

Rep. Kisber moved that **Senate Bill No. 3256**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	86
Noes	2
Present and not voting	7

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

Representatives voting aye were: Armstrong, Arriola, Baird, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Washington), Davis (Cocke), DeBerry L, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Head, Hood, Johnson, Jones S, Jones U, Kent, Kisber, Langster, Lewis, Maddox, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Overbey, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Ridgeway, Rinks, Roach, Rowland, Sands, Sargent, Scroggs, Sharp, Shaw, Shepard, Stanley, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Vincent, Walker, West, White, Whitson, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 86.

Representatives voting no were: Kernell, Turner (Shelby) -- 2.

Representatives present and not voting were: Beavers, Black, Bunch, Casada, Clem, Dunn, Turner (Davidson) -- 7.

A motion to reconsider was tabled.

REQUEST TO CHANGE VOTE

Pursuant to **Rule No. 31**, the following member(s) desire to change their original stand from aye to no on Senate Bill No. 3256 and have this statement entered in the Journal: Rep(s). Chumney.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 3300: Rep(s). Johnson as prime sponsor(s).

ENROLLED BILLS June 29, 2002

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared House Resolution(s) No(s). 405; and find same correctly enrolled and ready for the signature of the Speaker.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

SIGNED June 29, 2002

The Speaker signed the following: House Resolution(s) No(s). 405.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 1182, 1183, 1184, 1185, 1186 and 1187; all concurred in by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2286; substituted for Senate Bill(s) on the same subject(s), amended and passed by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 691; adopted for concurrence.

RUSSELL A. HUMPHREY, Chief Clerk.

***Senate Joint Resolution No. 691** -- General Assembly, Confirmation of Appointment - Carolyn D. Pearre, State Board of Education. by *Henry, *Atchley, *McNally.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 894; adopted for concurrence.

RUSSELL A. HUMPHREY, Chief Clerk.

Senate Joint Resolution No. 894 -- General Assembly, Adjournment - Provides for adjournment sine die of 102nd General Assembly at close of business on June 30, 2002. by *Burks, *Miller J, *Williams, Sen., *Henry.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Bill No. 3232.

The Senate lifted the tabling motion, reconsidered passage of the bill, reconsidered adoption of Amendment No. 4, withdrew Amendment No. 4, then repassed the bill on third and final consideration, as amended.

RUSSELL A. HUMPHREY, Chief Clerk.

SATURDAY, JUNE 29, 2002 – NINETY-SEVENTH LEGISLATIVE DAY

ENROLLED BILLS

June 29, 2002

The following bill(s) have been compared, enrolled, and are ready for the signature(s) of the Speaker(s): House Joint Resolution(s) No(s). 1182, 1183, 1184, 1185, 1186 and 1187.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

SIGNED

June 29, 2002

The Speaker signed the following: House Joint Resolution(s) No(s). 1182, 1183, 1184, 1185, 1186 and 1187.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 1182, 1183, 1184, 1185, 1186 and 1187; signed by the Speaker.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 1188, 1189 and 1190; all concurred in by the Senate.

RUSSELL A. HUMPHREY, Chief Clerk.

ENROLLED BILLS

June 29, 2002

The following bill(s) have been compared, enrolled, and are ready for the signature(s) of the Speaker(s): House Joint Resolution(s) No(s). 1188, 1189 and 1190.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

SIGNED

June 29, 2002

The Speaker signed the following: House Joint Resolution(s) No(s). 1188, 1189 and 1190.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 1188, 1189 and 1190; signed by the Speaker.

RUSSELL A. HUMPHREY, Chief Clerk.

MESSAGE FROM THE SENATE

June 29, 2002

MR. SPEAKER: I am directed to transmit to the House, Senate Bill(s) No(s). 277, 899, 1072, 1243, 2106, 2107, 2109; also, Senate Joint Resolution(s) No(s). 892 for the signature of the Speaker.

RUSSELL A. HUMPHREY, Chief Clerk.

SIGNED

June 29, 2002

The Speaker signed the following: Senate Bill(s) No(s). 277, 899, 1072, 1243, 2106, 2107, 2109; also, Senate Joint Resolution(s) No(s). 892.

ENGROSSED BILLS

June 29, 2002

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 1192.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

RECESS MOTION

On motion of Rep. Davidson, the House stood in recess until 9:30 a.m., Sunday, June 30, 2002.